

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTIETH PARLIAMENT

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HOUSE OF COMMONS

Tuesday, October 12, 1976

SECOND SESSION—THIRTIETH PARLIAMENT—OPENING

[*English*]

The Parliament which had been prorogued on the twelfth day of October, 1976, met this day at Ottawa for the dispatch of business.

The House met at two o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Secretary to the Governor General announcing that His Excellency the Governor General would proceed to the Senate chamber at 1.40 p.m. on this day for the purpose of formally opening the second session of the thirtieth Parliament of Canada.

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, His Excellency the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

and being returned to the Commons Chamber:

* * *

OATHS OF OFFICE

Right Hon. P. E. Trudeau (Prime Minister) moved for leave to introduce Bill C-1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

● (1500)

* * *

[*Translation*]

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when the House of Commons did attend his Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

I have the honour to welcome you to the Second Session of the 30th Parliament of Canada.

I am proud to be able to speak with you once more after an absence occasioned by an affliction which forced my withdrawal from public life for a time.

I now have a better understanding of our human frailty, but I have also learned the depths of devotion of those who love us as well as the strength of the human will to survive.

I would like to take this opportunity to offer my thanks to all my fellow citizens who sent their best wishes for my health and who remembered me in their prayers.

The activities of this year have taken me from the grounds of Rideau Hall and across the country. Two of my engagements took me to Vancouver, for the United Nations Habitat conference, and to Montreal, for the Olympic Games.

The whole world was our guest for these two events, and I was struck by the contrast between those of us in Canada who are sometimes inflicted with morbid self-analysis, and those who come to us from other lands, and see Canada as a country truly blessed.

[*Text*]

For the Olympic Games, the Queen and her family came to Quebec and Ontario, after a visit by Her Majesty and Prince Philip to Nova Scotia and New Brunswick; everywhere they received a warm welcome.

Next year, of course, Her Majesty will celebrate the Silver Jubilee of her accession to the Throne. She will be spending a few days in Ottawa to celebrate it with us, and to celebrate also the Jubilee of the appointment of the first Canadian-born Governor General in Canada, and the 10th anniversary of the foundation of the Order of Canada. This will be the seventh time in ten years that the Queen has visited Canada.

As we assemble in this historic place the day after Thanksgiving Day, it is fitting for all of us to pause and give thanks for the remarkable freedom we enjoy as Canadians, and for those human and natural resources which give Canada a favoured position among the nations of the world.

Because of the basic underlying strength of the economy, and because of the co-operation of the majority of Canadians which is making the anti-inflation program work, Canada has better reasons for confidence and optimism than has virtually any other nation. Our storehouse of natural resources, our food-producing ability, our labour and management skills present Canada with growth opportunities which are shared by few other industrialized countries. The fundamental reality which will guide our deliberations is that Canada is entering upon a decade of opportunity.

It is our strength, and our confidence in ourselves which give us the real opportunity to make greater progress toward those goals which all Canadians share—national unity, equality of opportunity, and the enhancement of individual rights.

I—National Unity

In order to promote that level of unity among Canadians without which we cannot be truly free, truly one nation, nor hope to achieve our shared national goals, the Government will place a very high priority upon the promotion of better understanding among French-speaking and English-speaking Canadians, and upon the achievement of formal constitutional independence.

Since 1968 the policy of official languages, supported by all parties represented in Parliamnt, has been based on the principle of equality, and on the right of Canadians to speak English or French according to their own will. An essential consequence, agreed by Parliament, is that the federal government provide services in the two official languages in the National Capital, and wherever else there is sufficient demand for such services.

The policy is one of fairness and reasonableness toward the people speaking the two official languages of Canada; and the Government is of the view that it must be maintained in the interests of justice and of the unity of Canada.

Canada is a diverse country. Unity can result only from a recognition of that diversity, and not from any attempt to impose rigid uniformity. In matters of language and culture, it is important to recognize the personality of the various parts of the country without departing from fundamental principles of justice and generosity, which should apply everywhere.

The Government has established programs intended to give real meaning to the official languages policy. Some of these measures have proven successful, and will be continued. Others have not, and will be modified.

Grievances originating from public servants through the Commissioner of Official Languages will continue to be reviewed, in order to fulfill the Government's commitment to ensure maximum fairness and effectiveness in the implementation of the official languages policy.

The Government remains committed to the enhancement of the bilingual capacity of the federal public service. However, it believes that a better balance should be established between the money spent to introduce bilingualism in the public service and the money spent to enable more Canadians, particularly young people, to learn to communicate in both official languages. The Government is convinced that a great majority of Canadians are dedicated to the strengthening of bonds among Canadians speaking our two official languages, and belonging to our many different cultures.

[*Translation*]

Canadians appear particularly anxious that their children have the best possible chance of understanding their compatriots of the other language. Consequently, the Government intends to discuss with the provinces arrangements to increase the effectiveness of training in both official languages in the school systems across Canada.

The Government also intends to increase programs to enable young people from various parts of the country to learn more about one another.

II—Equality of Opportunity

While it is essential to national unity that all Canadians believe we have an equal opportunity to be fully ourselves in a cultural sense, it is just as essential to unity that we enjoy equal opportunities for individual and regional economic fulfilment.

To translate Canada's economic potential into real growth and equality of opportunity, we must be both clear-sighted in our recognition of the obstacles which lie in our path, and united in our determination to remove them.

The most important obstacle is inflation; a destructive force which we all know can take jobs and income away from our workers, rob the elderly of the value of their savings, stunt the dreams of families for a better life, impede the flow of capital necessary for industrial growth, and obstruct the fight against poverty and inequality.

The continued reduction of inflation, and the creation of many more employment opportunities for Canadians, are and will continue to be the Government's highest priorities.

To create the climate necessary for the achievement of these two vital objectives, the Government will continue to practise fiscal restraint. The control of inflation will remain the single most important condition for economic stability in Canada, even after price and income controls are removed. Determined restraint in fiscal and monetary policy is essential to the long-term control of inflation.

The Government remains committed to a reduction in the growth of the public service. In the ten years prior to 1975-76 authorized man-years in the public service grew at an average annual rate of 4 per cent. This year the growth rate was reduced to 1.5 per cent, requiring actual reductions in 27 departments and agencies. The Government will reduce the rate of growth to below one per cent in the coming fiscal year.

In a further effort to reduce the size of government as well as expand the range of opportunities for private enterprise, all federal programs will be reviewed to identify those government activities which could be transferred to the private sector without reducing the quality of service to the public.

The international trading environment will profoundly influence our economic performance, and significant progress will be sought by Canada in the Multilateral Trade Negotiations and through other trade development initiatives. To support private industry in meeting greater international competition, the Government will modify substantially its industrial assistance programs.

[Mr. Speaker.]

[*Text*]

The Government also places a very high value on the contribution small businesses make to the economic and social well-being of Canadians. Small owner-managed firms are a mainstay of employment in cities and towns across the country. They supply goods and services essential to consumers and to other business, and they demonstrate the innovation and entrepreneurship from which successful enterprise must spring. More than that, small businesses, and the people who own them, manage them, and work in them, are the economic backbone of countless communities throughout Canada.

The Government will introduce measures to assist small businesses by improving local access to financial assistance and other services provided by government departments, the Federal Business Development Bank, and financial institutions in the private sector.

In response to concerns expressed by many Canadian businessmen, the Government will establish a better balance between the need for economic data, and the paperwork burden thereby imposed on small firms. The number of firms required to make statistical reports to government will be substantially reduced. Those larger companies which will still be required to submit information on a regular basis will be able to do so on fewer and simpler reporting forms.

In pursuit of the goal of a higher rate of employment, it will be necessary to improve the efficiency of the labour market and actively hasten the return of unemployed workers to productive effort. Adequate income is a pre-requisite to human dignity; and the Government believes most unemployed Canadians would much prefer to secure that income through worthwhile work than through public assistance. In some cases, and locations, this goal can be achieved only through direct job creation by governments.

You will therefore be asked to approve a comprehensive, year-round, direct job creation program, directed particularly toward areas of chronic high unemployment. Other programs will provide more job opportunities and improved employment counselling for young people.

The Government will not compete with the private sector for the services of unemployed workers, but will create jobs in areas where its efforts will be a necessary supplement to private sector activity.

You will be asked to amend the Unemployment Insurance Act in ways which will permit insurance funds to be used to maintain the income of Canadians being trained for new jobs, and to help employers retain workers who might otherwise be temporarily laid off.

To facilitate these improvements, the Government proposes the merger of the operations of the Unemployment Insurance Commission and the Manpower and Immigration Department, so that Canadians may obtain employment support services at a single source.

You will be asked to consider amendments to the Immigration Act, designed to promote Canada's regional and urban development goals, promote family unity, achieve a balance between immigration levels and employment opportunities, and preserve Canada's reputation as an open, tolerant society which welcomes the energy and cultural diversity of people from all parts of the world.

[*Translation*]

The improvement of labour-management relations in Canada is an essential pre-condition to economic stability. While it considers the collective bargaining system to be one of the important ways of ensuring fair wages in a democratic society, the Government and Canadians generally are deeply disturbed by the loss of productivity and increased social tensions which frequently result from the inadequacies of that system.

The solution is not to be found in excessive restriction of collective bargaining rights, but rather in the development of better mechanisms for settling disputes in a less adversarial, more co-operative manner.

The Government therefore intends to work with the provinces and with labour and business communities to develop a number of initiatives aimed at improving labour-management relations.

It is intended to establish a collective bargaining information centre, which will offer objective economic and compensation data to all parties. It is also intended to encourage greater participation by plant workers in decisions affecting their working conditions; to expand labour education programs; to develop a

voluntary code of fair practices; and to establish a national institution dedicated to improving the quality of life in the workplace.

An industrial safety and health centre will be established to assist companies and workers in their efforts to identify and remove hazards.

The Government will work closely with its own employees in various departments and Crown corporations to implement innovative, co-operative methods of improving health and safety conditions. In effect, the Government intends to use its own operations to test new methods of improving working conditions and labour-management relations.

[*Text*]

Measures will be proposed to improve the collective bargaining system in the public service, to reduce the adversarial nature of the process and to ensure an equitable relationship between compensation levels in the public and private sectors.

The Government intends to promote greater freedom and efficiency in the marketplace, and thus reinforce the market system's vital role in the allocation of national resources among national needs.

Significant revisions to laws promoting competition in the marketplace will be placed before you. The Government is determined to preserve and enhance Canada's traditional policy of reliance on individual enterprise as the mainspring of economic activity.

The focus of the second stage of competition policy reform will be a strengthening of the laws governing mergers and monopolies in order to encourage a more efficient and dynamic economy; one that rewards the creative and the industrious; that allows prices to be determined by the free play of market forces while protecting the marketplace from excessive concentrations of power. The more effectively competition governs the marketplace, the less necessity there will be for detailed regulation and control of the economy by governments.

On the other hand, where competition is inadequate the Government must intervene to protect the public interest. For this reason, changes will be introduced to the National Transportation Act to protect against unfair freight rates.

There is a growing awareness among Canadians of the need for more careful conservation of vital energy resources such as petroleum and natural gas. The Government will place further emphasis on research and development of renewable energy sources and on means of improving the efficiency with which energy is used in Canada, particularly the thermal efficiency of residential and commercial buildings.

To ensure responsible development of our indigenous resources, the Government intends to introduce measures to regulate exploration and development on federal lands.

With a view to conserving the food resources of the sea, and improving the livelihood of Canadian fishermen, the Government will proclaim by the first of January its extended jurisdiction over waters within two hundred miles of our coastline.

As a further element of the Government's food policy, measures will be introduced to make more farm-stored crops eligible for advance payments. The Government will also work with the provinces and farm organizations to strengthen the structure and productivity of Canadian agriculture.

[*Translation*]

In the field of social policy, extensive federal-provincial discussions over the past three years have resulted in a new framework for the sharing of costs and for making social service programs more responsive. Parliament will therefore be asked to consider a new Social Services Act which will substantially improve the effectiveness of cost-shared social services in Canada, especially for the aged, children and the handicapped.

In response to the need for good day-care services everywhere in Canada, the Government will help to provide more and better day-care services by encouraging the provincial governments to adopt a new system of fees related to incomes. A great many more Canadian mothers who seek employment outside the home will thereby be free to do so, because partially subsidized day-care will be more widely available.

You will be asked to consider amendments to the Canada Pension Plan which would further recognize the value of the contribution made to the family and society by both marriage partners, in the event that one remains at home to raise children while their partner works outside the home, or in the event of marriage breakdown.

On January first, the indexing of family allowance payments will be resumed to compensate for the rise in the cost of living during 1976.

In the areas of medical insurance, hospital insurance and post-secondary education, negotiations will continue with the provinces concerning the gradual introduction of new financial and administrative arrangements. These changes would not only allow the provinces to exercise greater flexibility in the provision of services, but would also serve the federal government's goal of co-operative restraint upon the rising cost of health and social security programs.

Of equal importance to the social well-being of Canadians is an adequate supply of affordable housing in a satisfactory community environment. Therefore, the goal of one million new homes over four years remains a key element of the Government's housing policy. In concert with other levels of government and the private sector the Government will work to increase the efficiency and impact of Canada's total housing effort.

The Government attaches continuing importance to meeting the aspirations of Canada's native peoples and, in particular, to the just settlement of their land claims. At this session, you will be asked to approve the negotiated settlement of claims in the James Bay region.

In the aftermath of the highly successful Montreal Olympics, and the gratifying results achieved by Canadian athletes, federal support for selected amateur sport and fitness programs will be further augmented.

[*Text*]

This year, the Law Reform Commission of Canada submitted a report on family law which merits the attention of all Canadians. The Government intends to carry on discussions with the provinces to encourage the creation of unified Family Courts with comprehensive jurisdiction over family law permitting disputes to be dealt with more constructively. In addition the government will discuss with the provinces and with the public other aspects of family law bearing on the stability of marriage, the protection of children and the fair sharing of the economic consequences of marital breakdown.

Canadians are becoming increasingly sensitive to the fact that Canada cannot live in dignity as a nation while other people, in less fortunate lands, live in a state of deprivation and hopelessness.

It is not in Canada's economic, political or moral interest to allow the gap to widen between the wealth of the few and the poverty of the many. Therefore the Government will continue to participate in the task of shaping a new international economic order, designed to provide a greater measure of hope to nations seeking the opportunity to help themselves.

The world is now confronted with a broad range of problems of such complexity and widespread scope that no single nation or group of nations is able to apply effective solutions. Only global solutions will do.

Increasingly, therefore, Canada's international activities are being directed toward broad-scale co-operative activities. Human settlements, the law of the sea, environmental protection, food and resources production, terrorism, population growth, control of nuclear armaments, economic development—all demand shared responsibility and universal involvement.

[*Translation*]

III—Individual Freedom

In speaking about the Government's plans to promote greater unity of spirit and equality of opportunity both in the world community and here at home, it becomes obvious that the achievement of both those goals demands a healthy respect for individual rights, particularly the right of free men and women to exert a real influence over decisions affecting their own future.

At a time of growing complexity in public affairs it is especially important to enhance the citizen's right of access to the information necessary to make well-informed judgements and take responsible action.

The Government therefore places great value on the continuing work of the joint parliamentary committee which has been studying the question of freedom of information, and plans to submit a policy paper to that committee in the hope that early agreement might be reached on the best methods to improve public access to government information. In the meantime, the Government will increase the number and range of internal documents available to the public.

To the same end, you will be asked to consider a Bill designed to clarify the duties and responsibilities of the Auditor General of Canada, and to provide him with better means of fulfilling his important function as a servant of Parliament.

In a similar effort to remove obstacles to information and to equal opportunity, the Government will introduce a Human Rights Bill. The major effect of the Bill will be to prohibit discrimination on the grounds of race, colour, national or ethnic origin, religion, age, sex, marital status, or physical handicap. In particular, the Bill will establish the principle of equal compensation for work of equal value performed by persons of either sex. It will establish a citizen's statutory right to gain greater access to personal records in federal information banks and to correct that information when it is in error. It will also limit the gathering of personal information by the Government.

[*Text*]

The Government and all Parliamentarians are concerned about the extent to which the average citizen is informed about Parliament. The Government wishes to provide access to the Parliamentary process for as many Canadians as possible. It will therefore seek approval to enable the proceedings of the House of Commons to be broadcast.

IV—Role of Government

It is essential to the enhancement of unity, equality of opportunity and individual freedom that Canadians work together in a spirit of co-operation and mutual respect. To that end, it is important for all participants to have a well defined view of their respective roles in the pursuit of national objectives.

It is appropriate, therefore, to define the role of government in economic and social planning and action. There are some who acknowledge only a very limited role for government, believing that the market system allocates resources most efficiently for production and growth, is least wasteful, and most conducive to individual liberty and initiative.

That view is vigorously opposed by those who insist on a continually expanding role for government in directing economic growth, correcting the inadequacies of the market system, and assuring a socially acceptable distribution of incomes. This view asserts that government spending and intervention must increase to compensate for the failure of the market to serve social goals.

The Government favours a middle road between those two extremes.

This middle road represents a commitment to a society in which all Canadians can develop their full potential, a society in which justice, compassion, tolerance and understanding lead to a strong and united Canada, a society based upon individual initiative and marked by personal freedom. The choice of the middle road implies a reliance on the market to stimulate the growth Canada needs, together with an enduring commitment to social justice and equality of opportunity. On the other hand, that choice also implies that the working of the market must be improved and that less costly, less interventionist ways must be found to pursue social goals.

These choices have shaped the Government's legislative program for the coming months, just as it will shape appropriate policies for the post-control period.

Obviously, the development of the new strategies required by the times in which we live will demand the closest possible co-operation among governments, workers, businessmen, cooperative and voluntary organizations and all other sectors of society. To that end, the Government will launch a major series of consultations throughout Canada to secure a greater sharing of economic and social responsibility among all Canadians.

Consultation in this context does not mean simply informing the public about Government decisions. Nor does it mean an aimless search for the opinions of others. It means that the Government will place before interested Canadians its assessment of the major problems we must solve together, and its definition of the available options.

Parliament will have a vital role to play, as of course will the provincial governments and their municipalities. For example, the provinces will be asked to enter into early consultations with the federal government on the renewal of agreements relating to the anti-inflation program, and on the process by which, at the appropriate time, controls may be removed.

The Government is confident that Canada will realize the great potential of the next decade, because Canadians in all sectors of our society are opening their minds to the future, and are demonstrating a willingness to adopt the means necessary to translate opportunity into reality. Canada will make steady progress toward the goals of national unity, equality of opportunity, and the enhancement of individual freedom, because the people of this country have the courage to tackle difficult problems, the will to take our own future into our own hands, and the wisdom to understand that we work effectively only when we work together.

You will be asked to consider other legislative proposals.

Members of the House of Commons,

The Government intends to present a budget in this Session.

You will be asked to appropriate the funds required to carry on the services and expenditures authorized by Parliament.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence guide you in your deliberations.

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister) moved: That the Speech of his Excellency the Governor General delivered this day from the throne to the two houses of parliament be taken into consideration later today.

Motion agreed to.

* * *

THE LATE ALBANIE MORIN

TRIBUTE TO DECEASED MEMBER

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure that all hon. members and yourself particularly will wish to join me in paying tribute to our colleague Albanie Morin who passed away two weeks ago.

[*English*]

She held a very special place in this chamber assisting you as Assistant Deputy Chairman of Committees. Mrs. Morin was the first woman in Canadian history to hold a position with the Chair in the House of Commons, and did so with great distinction. In addition to her legal and academic background, she brought to that job a quality of fairness and understanding and grace which won her the respect and the affection of all of us.

[*Translation*]

It is with great sorrow that we heard of her illness last year. Her courage did not waver during those long months and one of her dearest wishes was to return among us to the House of Commons.

On behalf of our party I wish to express our sympathy to the people of Louis-Hébert riding, to her family and children for whom she has been an example that they can rightly be proud of.

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to associate myself with the remarks of the right hon. Prime Minister (Mr. Trudeau).

[*Translation*]

. . . and on behalf of all Progressive Conservative members, I should like to pay tribute to the memory of Mrs. Albanie Morin.

Her death is a loss for this House, for Quebec, and for Canada as a whole. During her rather brief stay in the

Commons, she showed a deep sense of duty and a profound respect for people. Whenever Mrs. Morin chaired our proceedings, she did so with great dignity, because she had an exceptional understanding of a member's role. She had that rare quality of being able to listen, and she would give everyone a sympathetic ear, sound advice and unqualified encouragement.

Along with all Canadians, we mourn today a great lady who served her country to the end.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on behalf of my colleagues I should like to join with the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) in extending our sympathies to the father of Madam Morin and to her children.

Madam Morin was a woman who served her municipality, her province and her country well for a number of years having been elected, as we all know, as a city councillor before being elected twice to this chamber. She was in the best sense of the term a committed politician who believed very seriously in the positions she took in this House.

[*Translation*]

. . . she always found pleasure and gratification in serving as a member of this House. She indeed indicated that her happiest days were those she spent in Parliament.

[*English*]

She was a fine, dedicated woman and an exceptionally committed member of parliament. I repeat, Mr. Speaker, all my colleagues in the House extend to her father and to her children their very deepest sympathy.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, on behalf of my party, I wish to join with the right hon. Prime Minister (Mr. Trudeau), the Leader of the Official Opposition (Mr. Clark), and the Leader of the New Democratic Party (Mr. Broadbent) in extending to Mrs. Morin's children our deepest sympathy on the tragic loss of their mother.

As was so rightly said, Mrs. Morin soon gained the esteem and respect of every member of the House. When she chaired our proceedings, she followed the debate very closely, and she always intervened very tactfully when she saw fit to interrupt a member.

I should like to recall a very important mission she carried out abroad last year, more specifically in Mauritius, as a member of a Canadian delegation to the conference of the International Association of French-speaking Parliamentarians. She was asked to chair the proceedings for a whole day on the occasion of the International Women's Year.

It was with great dignity that she presided over the proceedings on that important day, and I was proud as a Canadian to count among our fellow citizens a person able to do honour to Canada internationally.

Her passing is a great loss for the House of Commons, for Canada and for the province of Quebec, and it is with deep emotion that we pay tribute to such a devoted person. It is a fact that in this House, regardless of political affiliations, in times of trial, when a member of the House dies prematurely, as is the case for Mrs. Morin, we feel greater friendship and respect for each other. We remain human beings, and this is how we must behave and what we must remember every day, that although our discussions are quite lively at times, we still remain human beings.

Mr. Speaker: Order, please. With the leave of the House, I should like to add a few personal words to express my feelings on such a sad occasion. It is fitting that Mrs. Morin's children should be in the gallery at present. I therefore wish to call the House's attention to the presence of Mrs. Morin's son and daughter in the gallery.

• (1510)

[*English*]

May I add one point. Having had the great assistance and support of Madam Morin in the task of presiding over the meetings of this chamber, I can say without flattery that she demonstrated all the qualities necessary for presiding over the meetings of this chamber. She exhibited such qualities of dedication, discipline and courage as to lead all of us to believe that she would have become the first woman Speaker of the House of Commons.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

INTERNAL ECONOMY COMMISSION

Right Hon. P. E. Trudeau (Prime Minister) presented the following message from His Excellency the Governor General:

His Excellency the Governor General transmits to the House of Commons a certified copy of an order in council appointing the Hon. Allan Joseph MacEachen, President of the Queen's Privy Council for Canada, the Hon. Jean Chrétien, Minister of Industry, Trade and Commerce, the Hon. Stanley Ronald Basford, Minister of Justice and Attorney General of Canada, and the Hon. Robert Knight Andras, President of the Treasury Board, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter H-9 of the Revised Statutes of Canada, 1970, entituled: an act respecting the House of Commons.

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. MacEachen):

That Charles Turner, Esq., member for the electoral district of London East, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by Mr. MacEachen (Cape Breton-Highlands-Canso):

That Mr. Denis Ethier, member for the riding of Glengarry-Prescott-Russell, be appointed Assistant Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

PROVISIONAL STANDING ORDERS OF FIRST SESSION OF PRESENT PARLIAMENT TO APPLY TO SECOND SESSION

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I move, seconded by the President of the Privy Council (Mr. MacEachen):

That the provisional Standing Orders, in effect at the prorogation of the first session of the present parliament, be in effect during the present session until otherwise ordered by the House.

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. MAURICE HARQUAIL AND SECONDED BY MR. CLAUDE-ANDRÉ LACHANCE

The House proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

Mr. Maurice Harquail (Restigouche): First of all, Mr. Speaker, it is my privilege to extend the sincere thanks of this House to His Excellency the Governor General and to Her Excellency Madam Léger who demonstrated courage and skill in being the voice of her husband this afternoon in the other place, a task which she performed so well, thus becoming an example to all Canadian women.

I should like to congratulate you, sir, on returning as our Speaker in this new session. I am confident that members from all four corners of this chamber join me in expressing to you our best wishes for continued success during this coming session.

[*Translation*]

Mr. Speaker, I am happy that the right hon. Prime Minister (Mr. Trudeau) and his cabinet have asked me to move the motion to adopt the Speech from the Throne. I should like to speak not only of the importance of this speech but more particularly of the benefits which all Canadians will derive from it.

[*English*]

I wish to take a moment to express the gratitude of the citizens of my beautiful riding of Restigouche to the Prime

[Mr. Trudeau.]

Minister (Mr. Trudeau) for his kind invitation to me to move the address in reply to the Speech from the Throne. I was honoured that not only the Prime Minister but several cabinet ministers as well visited my riding, one of the most beautiful ridings in Canada.

An hon. Member: Are you in trouble?

Mr. Harquail: I thank the Prime Minister for his kind invitation to me to move the address in reply to the Speech from the Throne. It is a singular honour and privilege which I am proud to accept on behalf of my constituents.

Mr. Paproski: Good luck in the next federal election.

Mr. Harquail: I am sure that all members of the House join me in expressing our warm wishes to our new House leader, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen), for a successful session. He has had a distinguished career, especially during his previous tenure as House leader, and we are confident that he will once again lead us effectively in passing new legislation which this government feels is vital to the success and future of this great country.

● (1520)

Permit me now, sir, to say a few words about the Minister of Fisheries and the Environment (Mr. LeBlanc), the minister who represents New Brunswick in the cabinet. Not only is he a hard working minister, but it is apparent that he has gained the respect of everyone with whom he has worked.

Some hon. Members: Hear, hear!

Mr. Harquail: I have grown to appreciate and admire his sincere and effective approach to his responsibilities.

I want to take this occasion to congratulate those colleagues of mine who have recently been promoted from the back bench into the cabinet. These young men and women have already shown their various abilities in the short time that they have been in these responsible positions, and I know that all members here will join me in wishing them well in the days ahead.

Some hon. Members: Hear, hear!

Mr. Harquail: As well, let me add my best wishes to those of my colleagues who have recently been promoted as parliamentary secretaries.

Some hon. Members: Hear, hear!

Mr. Harquail: I wish to take a moment of the time of the House to express our sadness at the passing of our colleague, Madam Albanie Morin, the member for Louis-Hébert. On behalf of all members of the House, I express our heartfelt sympathy to the members of her family.

Now, Mr. Speaker, I should like to express the trust and confidence which we feel in our dynamic leader, our Prime Minister (Mr. Trudeau), a man who has led us successfully through several elections, who has led the country through

major crises and has put on the statute books many outstanding legislative measures.

Some hon. Members: Hear, hear!

Mr. Harquail: It is my belief that this brilliant man, who is one of the most outstanding national leaders in the world, will lead us to another victory in the next election. He has demonstrated wisdom, foresight and courage in the Speech from the Throne, which expresses the basic philosophy of our party, a party of reform, which permits our government to answer the needs of our people in the areas where assistance is required the most. I can speak with some authority on this subject since my people have experienced extremely high seasonal unemployment.

Not only can we Liberals be proud of our past performance in bringing in the Canada Pension Plan, unemployment insurance, health and medicare plans, senior citizens' and social assistance programs which are of benefit to people in all walks of life, but once again here in this Speech from the Throne we are able to demonstrate in a real way our ability to accept our responsibility to govern and to bring forward policies and programs which will bring effective and beneficial results to those Canadians who desperately require our help.

Some hon. Members: Hear, hear!

Mr. Harquail: I am delighted to see that this government not only expresses its concern about unemployment in this country but is proposing concrete measures in this Speech from the Throne to alleviate unemployment in areas where it is most prevalent, such as in Restigouche. The implementation of such programs is vital to this region, and I am sure my constituents will appreciate this action.

I am encouraged by the government's intention to take some measures to discuss with the provinces arrangements to increase the effectiveness of training in both official languages in the school system all across Canada. It is to be hoped that these measures will encourage a better use of federal funds for this purpose, which has not been the case all too often in the past.

Another issue dealt with in the Speech from the Throne concerns equality of opportunity for regional economic fulfilment. I applaud the action which has been taken to combine the services of the Unemployment Insurance Commission and Manpower, year-round, direct job-creation programs, greater assistance to small businesses, the reinforcement of the market system, the reinforcement of reliance on individual enterprise as the mainspring of economic activity, to protect the public interest, and changes to be introduced to the National Transportation Act to protect against unfair freight rates. The government has shown its understanding of the fact that the maritimes can only develop and grow with special programs to assist in transportation costs.

We are encouraged to note another example of dynamic action on the part of the government on behalf of our fishermen in extending jurisdiction of the coastline to the 200-mile limit by January 1, 1977. Another positive step taken by the government which should bring beneficial results to the people in my area is a program under which the federal government will work more closely with the farmers and the provinces to strengthen the structure and increase the productivity of Canadian agriculture.

Of encouragement to the less fortunate will be the measures contained in the new Social Services Act under which costs will be shared to assist especially the aged, children and the handicapped, together with provisions for pensions to spouses and for the resumption of the establishment of new daycare centres, and this type of assistance, across the country. Another measure to increase equal opportunities will be the resumption of indexing family allowance payments as of the 1st of next year to compensate for the rise in the cost of living during 1976.

A word about justice. I know that with the peace and security legislation which is to come the citizens in my riding will not want me to miss this opportunity to encourage the government to take a more forceful approach to the administration of justice across the country, such as, by way of example, a cutback in the present handing out of suspended sentences. Our people want justice and reason to prevail, but at the same time they want to see the respect for law, order and authority that should exist.

Mr. Speaker, tradition allows me on this occasion to say a few words about my riding, which was made famous not only by the beauty of the fighting Restigouche salmon and the natural splendour of its area, but also because of its place in history in the battle of the Restigouche in 1760. The citizens of Restigouche, whom I have the honour to represent in this House, are God-fearing, hard working and upstanding people who contribute unselfishly day by day to the fibres which make up the fabric of this nation.

Although, as I mentioned earlier, we belong to the less advantaged in this nation, due partly to lack of equal opportunities, we have overcome these disadvantages with our courage, determination and high spirit, qualities which are typical of the Canadians whom I am proud to represent.

Mr. Speaker, because of the regional co-operative approach which has been adopted by all representatives of the region in recent years, one can only foresee progress and good development, better regional transportation facilities. We can do nothing but progress and succeed in the future, especially with the help of the measures contained in the Speech from the Throne which will certainly create more equal opportunities in regions such as Restigouche.

With regard to recommendations of the Standing Committee on Procedure and Organization, I know the members of that committee have worked hard and well in their deliberations. Many good results will come from the eventual adoption of some of these worth while recommendations by this House, some of which I support, such as the cutting down of the length of speeches, which I intend to exercise today.

● (1530)

I now wish to move, seconded by the hon. member for Lafontaine-Rosemont (Mr. Lachance), that the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Jules Léger, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I am proud to second the motion of the hon. member for Restigouche (Mr. Harquail), and I share this pride with the citizens of the constituency of Lafontaine-Rosemont who had the courage, in 1974, to elect the youngest member of parliament.

I should like to take this opportunity to join in the tributes paid to the late Mrs. Albanie Morin by several distinguished members of this House, and to express my sincere sympathy to her family.

[*English*]

I should also like at the outset of this session to pay tribute to Mr. Speaker whose impartiality and clear-sightedness have so often lighted a path for our debates over the last two sessions.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lachance: Finally, I would like to express the wish that the ideal that moves all members will be reflected in our forthcoming proceedings and that wholesome discussion will not develop into virulent confrontations generated by too fiercely partisan political passions. My colleague, the member for Restigouche, has given an eloquent picture of the physical and social configurations of his riding and the proposed government measures which are bound to promote its development.

My own riding is located in another area of the Canadian mosaic and differs on several aspects from the local characteristics as defined by the hon. member who spoke before me. Indeed, Lafontaine-Rosemont with its 60,000 people is a densely populated area with a population that is 90 per cent French-speaking. The average constituent there is either a skilled or a semi-skilled worker and he earns what is regarded as an average income. Its population is much older than the metropolitan average and this is in part due to the proportionately greater number of single people and also the shifting of young households to the housing developments in the Montreal suburbs where living space is less restricted.

[Mr. Harquail.]

Lafontaine-Rosemont is actually a section which is considered by several as being a semi-grey area, and it is close to housing subdivisions which are themselves identified as priority areas and the proximity of which submits it to strong pressures that are seriously endangering the balance between construction sites and the environment. In fact, in recent years, the changes in land use that occurred in downtown Montreal and in its outskirts have lead to a substantial reduction in the already restricted number of low rental housings in Montreal. Those changes and the demolitions they brought about also resulted in population shifts that are already being felt in the fringe districts of those areas, especially Rosemont.

Besides, when compared with the priority areas, Lafontaine-Rosemont has the best residential homogeneity as its industrial component makes up only 4.4 per cent of the entire area. Finally, Lafontaine-Rosemont is what is commonly known as a "renting district" as only 10 per cent of housing accommodations are owner-occupied.

[*English*]

It will be readily understood why I have taken note with interest of the particular emphasis laid by the government on the problem of housing. The government has renewed its promise to leave nothing undone to provide Canadians with proper housing at prices they can afford.

Finally, there is no doubt the people of Lafontaine-Rosemont will benefit from the new emphasis placed on assistance to small businesses—these are to be found everywhere in my constituency—as announced in the Speech from the Throne, along with a whole series of stimuli of various kinds which the government intends putting forward to help in the further development and prosperity of such small businesses.

[*Translation*]

Mr. Speaker, we must emphasize here that whatever may be the physical and social texture of Canada, with its differences, its disparities, and even too often its opposing interests, the speech from the Throne outlines positive steps from which each and every Canadian can benefit and which, no doubt, will have both a local and national impact. Whether in the areas of government restraint, of the growing rate of the public service, of the fight against inflation, of international trade, of the incentives to private enterprise, of the creation of permanent jobs, of the updating of the Unemployment Insurance Act, of the new immigration legislation, of collective or sectorial bargaining, of labour relations, of the legislation governing competition, of energy conservation, of renewable resources, of social security for the aged, the young and the handicapped, of the changes to the Canada Pension Plan with respect to the spouses that stay at home, of fiscal arrangements with the provinces of housing sport, family law, the pursuit of a new international economic order, the right to information, the control by the Auditor general over the federal administration, the implementation of a bill of rights and the broadcasting of our debates, the speech from the Throne meets the needs of a changing society which constantly seeks to improve its living conditions and aspires to increased social justice while main-

taining as much as possible the identity, individuality and freedom of choice of man.

[*English*]

It is not for me to offer any detailed comment on the extremely varied aspects of the government's legislative program for this session as announced in the Speech from the Throne. This will be done over the next few days by speakers from both sides of the House. However, as far as I am concerned, under the general headings of the Speech from the Throne, which deal with such matters as national unity, equality of opportunity, enhancement of individual rights, and the role of government, I trust it will be possible to have frank, positive, and well planned discussions for the greater good of our society.

May I, however, add a few words on a subject which is very close to my heart? I speak here as a French-speaking Quebecer for whom this matter goes far beyond the narrow confines of mere bilingualism; my reference here is to national identity and to our purposes and aspirations as Canadians.

[*Translation*]

This is a particularly sensitive issue to raise when you are a Quebecer, French speaking at that, and that you are determined to work in federal politics as a parliamentarian, especially in view of the recent events in the field of bilingual air communications, which clearly show the problems which the French speaking minority must face to assert its rights and fully realize its aspirations within the Canadian federation, especially as we must seriously consider the ultranationalistic feelings which still exist in Quebec and which have some very attractive aspects.

A country is of course a physical and geographical entity, but also and most important, it is made up of people who bring to it their cultures, their traditions and their way of life. What gives a people its soul and its nationalism is something deeper than the simple physical existence of a political entity called Canada, something which is closer to their own culture or cultures of its citizens who develop common ideas and aspirations as residents and as an integral part of their country.

In the past Canada has found it very difficult to find its identity. And even now, we often have a negative reaction, we compare ourselves to the Americans and we are glad or sad, as the case may be, because of what they are and of what we are not.

In fact, we should try instead to define what we really are, but we do not have many points of reference to do so. Of course, we had the French colonization, the English conquest, the exploration of Western Canada, Confederation, the railways, the Great War, the World War II, the entry of Newfoundland into Confederation, the Olympics. Of course, there were the American Indians, the French, the English, the Italians, the Ukranians, the Chinese and all the other ethnic groups, but what is it that makes us distinctively Canadian? What makes our history and our people unique? That is what every Canadian must feel. It is a difficult task which we must undertake.

In 1967, during the Centennial celebrations there was a feeling of Canadianism which faded too quickly and we are still faced with problems of identity, Quebec or British Columbia separatism, bilingualism, transportation, constitution, federal-provincial relations and many others.

In spite of all this, I am sure that for the majority of Canadians, the word Canada has a meaning and it is perhaps when we are abroad that we suddenly understand it through the kindness and interest shown to us.

But why? We must find out and fast because time is running out!

• (1540)

[*English*]

It is in this spirit, Mr. Speaker, that I wish to thank the Prime Minister (Mr. Trudeau) for having shown his confidence in me, as well as all members present, for their understanding. It is with pleasure, therefore, that I express my support for the motion moved by the hon. member for Restigouche, and commend it to the House for its approval.

On motion of Mr. Clark the debate was adjourned.

Mr. Trudeau: Mr. Speaker, I move that the House do now adjourn.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Accordingly this House stands ajourned until tomorrow at two o'clock in the afternoon. Might I say in passing that a small reception has been arranged for later on this afternoon, beginning at about half past four in Room 253B, at which, of course, all hon. members and their guests would be most welcome.

On motion of Mr. Trudeau, the House adjourned at 3.47 p.m.

HOUSE OF COMMONS

Wednesday, October 13, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

SEARCH AND RESCUE

PROPOSED REFERENCE OF SUBJECT TO STANDING COMMITTEE—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43. I do so in view of the statement by the Minister of Transport (Mr. Lang) on April 7, 1976 in which he admitted that "the marine search and rescue organization is no longer entirely adequate". In view of the fact that a departmental task force set up by the minister last spring has already submitted its report with specific recommendations, and further in view of the failure of the government to announce a new air/sea search and rescue policy for Canada, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That in the opinion of this House the government should give immediate consideration to referring the question of air/sea search and rescue in Canada to the Standing Committee on Transport and Communication.

Mr. Speaker: Order. A motion presented pursuant to Standing Order 43 can be dealt with only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF COW-CALF STABILIZATION PROGRAM—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity relating to the financial position of cow-calf operators. The inaction of the Minister of Agriculture (Mr. Whelan) has forced the western provinces to act unilaterally to provide emergency relief to the producers. Because the onus remains on the federal government to save the beef industry, I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House request the Minister of Agriculture to institute immediately a national cow-calf stabilization program based on the full cost of production.

Mr. Speaker: Order. Such a motion pursuant to Standing Order 43 can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

IMMIGRATION

REQUEST FOR LANDED IMMIGRANT STATUS FOR VALDES FAMILY—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to propose a motion on a matter not only of urgent and pressing necessity but also humanitarian. I hope my colleagues will think twice before saying "No".

Considering that Mr. Valdes left the country last Sunday and that judicial proceedings have been taken to recognize the representations of Mrs. Valdes and her four children, who have been harassed for a year and a half by the Department of Manpower and Immigration following their voluntary request to become Canadian citizens, and considering that Mrs. Valdes is now exhausted and that it is inhuman to leave this lady and her children in such a depressive state which has lasted too long, I move, seconded by the hon. member for Maisonneuve-Rosemont (Mr. Joyal):

That the Cabinet consider immediately the critical and inhuman position of Mrs. Valdes and her four children and that the minister take all the necessary measures to regularize the status of this family as landed immigrants.

Mr. Speaker: Order, please. The House has heard the motion of the hon. member. Under Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

AGRICULTURE

DAIRYING—REQUEST FOR COMMITTEE STUDY OF DISTRIBUTION OF QUOTAS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under Standing Order 43 I ask for the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Since about 12,000 milk producers of the south shore area will incur a loss of more than $5,350,000 for the year 1976-77, which represents 23 per cent of their income since this loss accounts for an average of $4,458 per dairy farm which will force some of them to go bankrupt, and since this unfortunate situation is also common to all parts of the province of Quebec, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House recommend the formation of a special committee which would undertake a sound review of distribution of production quotas for each province and actual needs for domestic consumption and would consider the economic and social consequences of losses incurred by milk producers.

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

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

SOCIAL SECURITY

SUGGESTED INCREASE IN OLD AGE PENSION AND LOWERING OF ELIGIBLE AGE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this motion, which I move under Standing Order 43, is of extreme urgency to a great many Canadians. Therefore, I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urge the government to include in its legislative proposals for this session of parliament a measure to increase substantially the amount of the basic pension provide under the Old Age Security Act and to make the pension available at age 60 to all persons not in the labour market.

Mr. Speaker: Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

PUBLIC SERVICE

REQUEST FOR STATEMENT ON FACTORS SURROUNDING DISMISSAL OF WALTER RUDNICKI—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion under Standing Order 43 is also urgent and pressing. It is in regard to a decision rendered by Judge O'Driscoll of the Supreme Court of Ontario on July 23, 1976 ruling against the government in the case of the wrongful dismissal of a senior civil servant, namely Mr. Walter Rudnicki. In light of the fact that the judge's reasons for his decision raise a number of serious questions about the improprieties and misconduct of at least one minister of the Crown, as well as the chairman of the board of Central Mortgage and Housing Corporation, the deputy minister of urban affairs and other officials, and since the matter of government secrecy is also illuminated in the judge's decision and statement, I therefore move, seconded by the hon. member for Capilano (Mr. Huntington):

That this House urge the Prime Minister (Mr. Trudeau) to avail himself of the earliest opportunity to make a statement in the House which would outline the course of action that he proposes to take to respond to this most serious matter.

Mr. Speaker: Order, please. Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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LABOUR CONDITIONS

ALLEGED THREATS AGAINST THOSE WHO WORK ON OCTOBER 14TH—REQUEST FOR ACTION—MOTION UNDER S.O. 43

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I rise on a matter of urgent and pressing necessity to propose a motion pursuant to Standing Order 43, and I hope I will get support from both sides of the House for my motion. Literally hundreds of union members, even their spouses and children, have come to my constituency office or telephoned or written to me to tell me of threats against their livehoods and even their families if they work on October 14. They tell of losing their democratic freedoms within our free democracy.

● (1410)

I therefore move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the relevant departments and agencies of government undertake an immediate investigation to determine the extent and degree of intimidation used to prevent rank and file trade unionists from working on October 14, 1976, and to identify any individuals who should be prosecuted for the use of threats of violence or other reprisals to prevent any person from working, and to prepare legislation to assure every trade unionist of the right to determine their own economic destinies through supervised free and secret ballot at all times.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Such a motion, pursuant to Standing Order 43, can be presented for the consideration of the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

REQUEST FOR ACTION TO DEAL WITH IMPORTATION OF MEAT—MOTION UNDER S.O. 43

Mr. John Wise (Elgin): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the recent beef embargo imposed by President Ford of the United States, and in view of the fact that the Canadian beef industry has been in a serious depression for a considerable period of time, more particularly in the last few months, and in view of Canada's sellout in respect of the Canada-Australia-New Zealand meat agreement, and, further, that because of the United States embargo the Canadian beef industry faces the very real possibility of even heavier volumes of beef from Australia and New Zealand, no doubt already in transit to the United States market, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That the Minister of Agriculture take immediate action to ensure that this product will not be dumped on our Canadian market and to place immediately, if necessary, a temporary embargo on beef from Australia and New Zealand and, secondly, that the minister implement a long overdue Canadian meat import law, and, finally, that he negotiate with his United States counterparts a longer term agreement having regard for historical trade patterns.

Mr. Speaker: Order, please. Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE CANADIAN ECONOMY

SUGGESTED DEVELOPMENT OF PLAN TO REDUCE UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in view of the fact that for a year we have had 7 per cent or greater unemployment, I rise on this matter of urgent and pressing necessity to move a motion under the provisions of Standing Order 43. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House calls on the government to work out a detailed plan to provide for full employment, and that to accomplish this objective, plans be made to reduce the present high rate of unemployment by a specific reducing percentage for each of the next three years in the same way as the government set its goals for reducing inflation in announcing its anti-inflation goals.

Mr. Speaker: Order, please. Is there unanimous consent for the presentation of such a motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

REFERENCE TO COMMITTEE OF TRANSFER OF HOSPITALS TO OTHER JURISDICTIONS—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 in view of the fact that the wide and increasing protests over the transfer of veterans' hospitals to other levels of jurisdiction indicate that the policy is not working to the benefit of all veterans of Canada. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the whole matter of the transfer of veterans' hospitals be referred immediately to the Standing Committee on Veterans Affairs, and that the committee be authorized to travel to those hospitals already transferred, as well as those under negotiation, to determine the inequities of existing transfer agreements.

Mr. Speaker: Order, please. Such a motion, pursuant to Standing Order 43, can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE MINISTRY

SUGGESTED APPOINTMENT OF CABINET REPRESENTATIVES FROM PRAIRIE PROVINCES

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, let me begin by welcoming the Prime Minister back to the House and his demonstration that he is as usual in command of events. I wish to direct to the Prime Minister a question arising from the fact that the first reaction to the Throne Speech from that side of the House has been the resignation of the Minister of National Defence.

Some hon. Members: Hear, hear!

Mr. Clark: In view of the fact that this resignation leaves the provinces of Manitoba. Saskatchewan and Alberta with only one representative in cabinet, a rather dubious one at

that, I wonder whether the Prime Minister will assure the House that he will move immediately to appoint at least one more minister from those three provinces.

An hon. Member: Joe Guay?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I welcome the good wishes of the Leader of the Opposition in welcoming me back in the House. I was puzzled to see him grasp so tightly on the arm of his chair before he rose to ask the question.

Some hon. Members: Oh, oh!

Mr. Fraser: He has a tighter grasp on the chair than you have on the cabinet.

An hon. Member: This is being recorded, Pierre.

Mr. Trudeau: It looked, Mr. Speaker, as if he were afraid the caucus would take away the only seat he has left.

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I also thank the Leader of the Opposition for the constructive suggestions he has made in respect of my cabinet and I will take them seriously into consideration. If he wants any advice on his own shadow cabinet I would be happy to give it to him privately, Mr. Speaker. It would be more valuable.

Mr. Clark: Mr. Speaker, I think two things are evident. The first is that the Prime Minister's practice of refusing to answer questions has survived the summer; the second is I have a considerably better grasp on my chair and my caucus than he has on his caucus.

Some hon. Members: Hear, hear!

● (1420)

POSITION OF GOVERNMENT ON FORMULA FOR AMENDING CONSTITUTION AS STATED BY FORMER MINISTER OF NATIONAL DEFENCE

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, since the Prime Minister declines to advise us whether he has been able to find anyone else from western Canada to join his cabinet, I wonder if I might ask him whether, in light of the fact that there was apparently some extensive discussion between the former minister and the Prime Minister of the reasons cited for the former minister's resignation, the statements that were contained in the letter of resignation by the hon. member for Winnipeg South, particularly those statements which claim to set forth the government's firm position on an amending formula for the constitution, can be interpreted to represent in fact a final decision by the government on this question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have pointed out to the former minister of national defence, and I remind the Leader of the Opposition of this, that last March I wrote to the premiers and gave them three options whereby we thought we could patriate the constitution. Only one of them referred to language rights and an entrenched amending formula; at least one of the other two, as I recall, contained nothing on language rights. So, clearly if the Leader of the Opposition and the former minister of national defence recall the events, it would seem that both the action and the question are a little premature.

REQUEST FOR TABLING REPLY TO LETTER OF RESIGNATION OF MINISTER OF NATIONAL DEFENCE

Mr. Joe Clark (Leader of the Opposition): The clear implication in the letter from the most recent former minister—

Some hon. Members: Oh, oh!

Mr. Clark: —was that there has been a narrowing of the options, and my question was precisely whether that in fact has been the case or whether the former minister of national defence in his letter misinterprets the position of the cabinet of which he was so recently a member. Perhaps in answering that question the Prime Minister might also indicate whether he would be prepared to table his reply to the letter of resignation of his former colleague and whether that reply would contain a detailed response to the positions set forth in a rather lengthy letter of resignation by the former minister.

Right Hon. P. E. Trudeau (Prime Minister): The answer is quite simple. There has been no change of position in cabinet on those three options. As I recollect, the matter was not even discussed substantially for the simple reason that twice since that letter was sent the premiers met amongst themselves, first in Alberta and then in Ontario, following two previous meetings, I believe, of the attorneys general in spring. I believe these were meetings during which the premiers and their attorneys general were attempting to define the position among themselves. I have not received the report of the chairman of that premiers' conference as yet, therefore I do not know what their position is. I do not know what their response to my three options will be, and I do not know that they have reached any firm agreement among themselves. There has been no change in the cabinet's views. We are awaiting the report of the chairman of the conference to discuss the matter and decide upon it. For that reason, I felt that the minister's resignation was premature. He was acting on the assumption that the premiers might agree, which is perhaps an unwise assumption.

Mr. Clark: Let me repeat, Mr. Speaker, will the Prime Minister agree to table in the House of Commons his reply to the letter of resignation of his minister?

Mr. Trudeau: When that reply has been received by the former minister of national defence, and if he agrees that his letter to me be tabled, I will certainly table the correspondence between him and me.

NATIONAL DEFENCE

INCREASE IN CAPITAL BUDGET OF DEPARTMENT FOR FIVE YEARS—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): My question is for the Prime Minister. The hon. member for Winnipeg South, the former minister of national defence, was able, aided by the Chancellor of Germany, to wrest from a reluctant cabinet a promise to increase the capital budget of the Department of National Defence by an inflation factor plus 12 per cent each year for the next five years. Can the Prime Minister assure the House that this commitment will stand?

Right Hon. P. E. Trudeau (Prime Minister): I can assure the hon. member that this commitment was made by the cabinet and not by the minister alone. It was the subject of a very firm decision by all ministers in the cabinet, and the former minister does not take that decision away with him.

REQUEST FOR ASSURANCE NO CHANGE IN RE-EQUIPMENT PROGRAM—REPLACEMENT FOR MINISTER

Mr. Allan B. McKinnon (Victoria): I have a supplementary for the Prime Minister. Could the right hon. gentleman assure the House that there will be no changes in the defence re-equipment programs announced by the former minister, and could he at the same time assure the House that he will name somebody—or perhaps some nobody—as Minister of National Defence before he leaves the country again?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, if I were to find some nobody, I would have to look on the other side.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

MEASURES TO REDUCE LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as testimony to all the hard work I put in on my French this past summer I will say *touché* to the Prime Minister for that one.

On a more serious note I would like to ask the Prime Minister, since Canada has been experiencing unemployment in excess of seven per cent for a total of some 17 months now, and since Canadians obviously want to work and not receive handouts, does the government intend in the present session of parliament to bring forth legislation which will set specific targets on the rates of reduction in the levels of unemployment that it is planning for, and if not, why not?

Mrs. Holt: You don't care about the rank and file.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Speech from the Throne indicated the direction the government intends to take on this matter and the House will hear further from the Minister of Manpower and Immigration during the debate.

POSSIBILITY OF BUDGETARY MEASURES TO DEAL WITH UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary for the Minister of Finance. Since on a seasonal basis there are over 750,000 Canadians unemployed, and since only 63,000 new jobs have been established this year compared with the 250,000 jobs forecast by the minister in his May budget address, will the minister bring forward this fall a supplementary budget to correct some of this erroneous forecasting made by his own department and also simultaneously announce some major programs to deal with unemployment?

Hon. Donald S. Macdonald (Minister of Finance): No, sir.

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MANPOWER

REQUEST FOR TABLING OF EMPLOYMENT STRATEGY PAPER

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is a brief answer if a stupid one. The Prime Minister's new modesty obviously has not spread throughout the cabinet.

My final supplementary is to the Minister of Manpower and Immigration. In view of the stated intention of the government in the Throne Speech to provide more information to the people of Canada, will the minister table the 85 page employment strategy paper which the cabinet has approved, and can the minister at the same time indicate whether his employment program will simply involve an expansion of such cosmetic programs as making LIP a year round project and introducing such delightful new schemes as JEEP, whatever that may stand for?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Cullen for leader.

Mr. Cullen: Not yet, Walter. Cool it.

Some hon. Members: Oh, oh!

Mr. Hees: Maybe next month.

Mr. Cullen: The leader of the New Democratic Party refers to cosmetics, but it has been known in the past that cosmetics made a very ordinary girl look quite beautiful. I think we will do that with our program.

Some hon. Members: Oh, oh!

● (1430)

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED EXCLUSION OF CERTAIN BENEFICIARIES—REQUEST FOR INQUIRY

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Can he inform the House whether he has ordered or is about to order an investigation relating to statements made on the French television network about two weeks ago by five masked people that his department allegedly gave instructions aimed at excluding some categories of beneficiaries who theoretically would be entitled to unemployment insurance benefits?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, we have already responded to that criticism in a press release issued, I believe, within two days of the media report.

* * *

AGRICULTURE

SUGGESTED CURTAILMENT OF BEEF IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question was to be directed to the Minister of Agriculture but in his absence I should like to address it to the Prime Minister or the Acting Minister of Agriculture. The question relates to the October 9 action of President Ford in imposing a total United States quota of 1.233 million pounds of beef under the terms of the United States meat import law. In view of the immediate and very real possibility that Australian and New Zealand shipments may now be diverted to Canada, in addition to our current excessive imports, and in view of Canada's very vulnerable position which permits unlimited access of imported meats at discounted prices well in excess of the "six cents under" agreement, will the Prime Minister or the Minister of Agriculture act immediately to prevent a further depression of all levels of our Canadian cattle markets with appropriate action on Australian-New Zealand beef imports?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Canadian government has acted today. The Minister of Agriculture has announced that the federal government is moving to place imports of beef and veal into Canada under individual permit control effective midnight on Sunday.

SUGGESTED DEMAND FOR RETRACTION OF AUSTRALIAN ALLEGATION CANADA RESPONSIBLE FOR CURTAILMENT OF BEEF IMPORTS BY UNITED STATES

Mr. Bert Hargrave (Medicine Hat): A supplementary question, Mr. Speaker. I appreciate the announcement just made by the parliamentary secretary but I wish to address a supplementary question to him. In view of the very serious charge made by the deputy prime minister of Australia that Canada was totally to blame for this predictable action by President Ford, especially during their election campaign, and since Australia has enjoyed unlimited access to Canadian meat markets with volumes much higher proportionately than their United States shipments, will the Prime Minister or indeed the government of Canada take immediate steps to set the record straight and demand a retraction from the government of Australia?

[Mr. Cullen.]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the minister has already answered the allegation by the Australian and New Zealand governments. I must add that this afternoon Canadian officials in Washington are having discussions with the United States officials to find out exactly how this new quota will be applied. That government has announced a global quota and the 21 nations which will be affected by it do not yet know what it will mean to them individually. Our officials are having discussions with United States officials this afternoon to find out exactly what it will mean to Canada.

* * *

NATIONAL ENERGY BOARD

POSSIBILITY OF SEPARATING JUDICIAL AND ADVISORY FUNCTIONS

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of the glaring inconsistencies in the National Energy Board Act that came to light this summer in defining the quasi-judicial and advisory functions and the fact that there was nothing in the Speech from the Throne about this, does the minister intend to introduce any measures during this session of parliament to separate these responsibilities?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker.

Mr. Gillies: A supplementay question, Mr. Speaker. Is it the position of the minister that there is no problem associated with having semi-judicial and advisory positions held by one particular person? Does the minister not feel that is an impossible situation in which to place a regulator?

Mr. Gillespie: Mr. Speaker, I think the hon. member makes a good point. I do recognize there could be situations in which there could be incompatibility between the advisory function and the judicial function. This is a matter which I have had under personal consideration for some time. Undoubtedly there will be an opportunity for me to discuss this with my colleagues in the weeks to come. Going back to the first question, it is not my intention in this session to introduce amendments to the National Energy Board Act for that purpose.

Mr. Gillies: A final supplementary question, Mr. Speaker. Has the minister issued any instructions to the chairman of the National Energy Board to ensure that such apparent conflict will not happen again?

Mr. Gillespie: Mr. Speaker, I am sure that upon reflection the hon. member would realize that a minister of energy, mines and resources would be in a very delicate position in advising the National Energy Board, which was set up by Parliament as an independent body. If the minister were to start issuing instructions to the head of the National Energy Board it would seem to me he would be open, and the government would be open, to the criticism of interfering with the very independence which parliament set up in the Act for the National Energy Board.

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ANTI-INFLATION PROGRAM

REQUEST FOR TABLING OF BACKGROUND PAPERS ON WHICH DECISION TO CONTINUE PROGRAM MAY BE BASED

Mr. Sinclair Stevens (Yrok-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. As the Speech from the Throne contemplates that the provinces will be asked to enter into consultations on renewal of agreements under the government's present wages and prices control program, would the minister, within the commitment to be open as promised in the Speech from the Throne, lay before the House and the provinces all background papers that argue for continuation of the program beyond March 31, 1977, as termination of present agreements with most provinces is to occur on that date?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the date we look forward to is, of course, April 1, 1977. I will be glad to make available to both the provinces and the House the analysis which would lead to a continuation of the program.

Mr. Stevens: A supplementary question, Mr. Speaker. I wonder if the minister could indicate when he will lay this documentation before the House and the provinces? Could he also indicate the term of the extension to which he is asking the provinces to agree? Is it a further 18 months or even longer?

Mr. Macdonald (Rosedale): Mr. Speaker, we would anticipate this discussion would commence in the new year when we would obviously have more specific details. As the hon. member knows, the Act provides a continuation for two years more.

SUGGESTED DELETION OF PROVISION ALLOWING EXTENSION OF PROGRAM BEYOND 1978

Mr. Sinclair Stevens (York-Simcoe): A final supplementary to the Prime Minister, Mr. Speaker. As the Prime Minister at least hinted last Thursday that under no circumstances would the control program go beyond the end of 1978, could he indicate if he is willing to cause Bill C-73 to be amended to ensure that under no circumstances may the controls program be extended beyond the end of 1978 by, in particular, deleting the provision that allows the program to be extended simply by order in council?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall take the hon. member's suggestion into consideration. Certainly, it is our intention not to by go beyond the end of December, 1978. If that would reassure the House and get the opposition parties to co-operate with us in the implementation of the program while it exists, I would certainly be prepared to give that undertaking.

* * *

CANADA PENSION PLAN

RECOGNITION OF CONTRIBUTION BY HOUSEWIVES

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. Are we to understand from the reference to the Canada Pension Plan in yesterday's Speech from the Throne that the contribution of housewives to the social and economic well-being of our country is finally going to be recognized in real and concrete terms?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, this provision is certainly going to mark significant progress in recognizing the contribution of housewives to our economy. I hope, as time goes by, the government will be able to introduce more measures of this nature to recognize that contribution.

* * *

● (1440)

CENTRAL MORTGAGE AND HOUSING CORPORATION

REASON FOR NOT REHIRING MR. RUDNICKI—ALLEGED BLACKLISTING OF SOME FEDERAL CIVIL SERVANTS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is for the Minister of State for Urban Affairs. The Supreme Court of Ontario now having concluded that Mr. Walter Rudnicki was wrongfully dismissed from his position as senior policy adviser at Central Mortgage and Housing Corporation, can the minister indicate whether Mr. Rudnicki will be rehired and, if he will not be rehired, why he will not be taken back into the federal civil service?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, Mr. Rudnicki has been compensated. He has other employment, I believe, with the government of Manitoba and I do not think he has indicated any desire to return to the federal public service. I wish him well in his new career.

Mr. Leggatt: A supplementary question, Mr. Speaker. I am sure the minister will want to canvass his answer with Mr. Rudnicki who is seeking employment with the federal public service. In view of the very serious charge Mr. Rudnicki makes, that there is a blacklist of public servants which has been circulated among Liberal ministers and which is officially called the extra parliamentary opposition, will the minister advise if in the area of his responsibilities he is aware of such list. If he is not will he give to this House an undertaking that he will investigate these most serious charges which Mr. Rudnicki has been making?

An hon. Member: And let's have no blarney.

Mr. Danson: Mr. Speaker, this certainly is a very serious charge which the hon. member makes. Fortunately, it is without any foundation.

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PUBLIC SERVICE

REQUEST FOR STATEMENT ON CHARGES MADE BY MR. RUDNICKI

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, may I direct a supplementary question to the Prime Minister? In view of the question just asked by my colleague from New Westminster, will the Prime Minister tell the House if he will take the first opportunity available to make a statement in the House answering some of the serious charges made both by Mr. Rudnicki and a judge of the Supreme Court of Ontario, in order to relieve the anxieties created across this country, anxieties developing from some of the improprieties implied in the judgment and involving some ministers and senior civil servants?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will look into the matter. I am not aware of those charges. I just heard them alluded to by way of rumour just now by hon. members opposite.

Mr. Baker (Grenville-Carleton): There is a supreme court judgment.

Mr. Fairweather: It's a supreme court rumour.

An hon. Member: You missed that judge.

Mr. Trudeau: Mr. Speaker, as the House knows, I don't speak to judges. They may have opinions on the conduct of governments which, if they are not on the matter of legality or illegality, I might consider irrelevant.

[Mr. Danson.]

HOUSING

POSSIBLE INTRODUCTION OF NEW PROGRAMS AND ESTABLISHMENT OF MORTGAGE CORPORATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. My question is prompted by a statement released by the Canadian Council on Social Development identifying six Canadian cities in which the percentage of people able to buy affordable housing has declined, notwithstanding the success of the minister's AHOP program; it is also prompted by the government's failure to identify new programs in the Speech from the Throne. Does the minister intend to introduce new legislation this session and does he intend to press for the implementation of legislation to set up the Canadian mortgage corporation?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, our present programs are working effectively, although in some areas we want to see them working even more effectively. Housing starts, as hon. members know, are close to record highs for this year, but that does not relieve our concern for the future and for people in low income groups still experiencing difficulty. We are tailoring our programs, not through new legislation but through the application of existing programs, in such a way as to make certain to the best of our ability that housing is available to them.

The Federal Mortgage Exchange Corporation is in the province of my colleague, the Minister of Finance. From my viewpoint the activation of that organization, in so far as my portfolio is concerned, is not necessary. We are getting all the mortgage funding required at present. We are getting more than we asked for, more than some sceptical people thought we would get. It looks as if the amount of $1 billion we hoped to get from the private sector will exceed $1.5 billion this year, for our programs.

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URBAN AFFAIRS

TAX SHARING WITH MUNICIPALITIES IN VIEW OF FAILURE OF TRI-LEVEL CONFERENCE

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the government's failure to obtain the agreement of the provinces for a tri-level conference to discuss the serious questions of fiscal and tax-sharing arrangements with the municipalities, I ask the minister, in view of his failure to bring about this conference, what course he intends to pursue since the problems of our cities are continuing?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, that does not mean we are not concerned about the problems of our cities. It means that provinces did not see fit to sit down with the municipalities and the federal government to discuss the report of the task force on public finance. Much information has been gained by that task force and

much has been researched. I am now studying it, to see how we, at the federal level, can work, in view of the vacuum left as a result of the lack of initiative of some provincial governments which see no value in consultation, and would sooner engage in confrontation and abandon their responsibilities.

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EXTERNAL AFFAIRS

RHODESIAN TRANSITION FUND—POSSIBILITY OF CANADIAN CONTRIBUTION

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, whom I congratulate on his recent appointment. In view of the statement made by the minister following his speech at the United Nations, that Canada could possibly be asked to contribute to a so-called Rhodesian transition fund, is the minister in the position to inform the House whether the government has considered this matter and taken a decision in this regard. If so, what amount is Canada prepared to contribute?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for his good wishes. No decision has been made, for the obvious reason, as I said at the time, that no hard proposal had been put to Canada or to the best of my knowledge to any country, other than perhaps the United Kingdom, by the United States. When I met with Secretary of State Kissinger in New York he indicated that part of the settlement proposal was to establish a fund and that he, personally, was then working on a possible assignment of percentages as well as on the total amount which might be in that fund. But there was no direct request that Canada should participate. The implication of a number of comments made publicly is that we may well be asked to do so, but the situation is as I have described it. No request has been made to date.

I should also advise the hon. member that I shall be going to Washington on Friday again to meet with Mr. Kissinger, and this may well be one of the matters on which there will be further clarification at that time.

ADMISSION OF RHODESIAN REFUGEES TO CANADA

Mr. Claude Wagner (Saint-Hyacinthe): A supplementary question, Mr. Speaker. Has the minister conducted, or does he intend to conduct, talks with American and British authorities on the admission to Canada of some 20,000 white Rhodesians and refugees? If so, on what assumption?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have held talks on this matter with United States authorities and advice I obtained from that source, which I regard as probably the best informed at the moment, is that the refugee question is not the major one involved at this stage of the negotiations and, indeed, that it probably is not wise to escalate that aspect of the matter at this time.

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SOCIAL SECURITY

OLD AGE PENSIONS—SUGGESTED CHANGES IN PROVISIONS RELATING TO RESIDENCY AND PENSIONS EARNED OVERSEAS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of National Health and Welfare. On April 14 he advised the House that the government was to bring in amendments to the Old Age Security legislation affecting, among other things, residency and reciprocal agreements affecting persons who have earned pensions overseas and are now living in this country. That measure involved some 500,000 people, yet in the Speech from the Throne there is no indication that this is a matter of urgency or priority. Can the minister say why this important matter was not included in the Speech from the Throne?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there certainly are several important matters to be discussed during this session when bills will be introduced in the House that are not necessarily mentioned in the Speech from the Throne.

Amendments to the Old Age Security Act are one such a project. The bill is being drafted and I hope I will be able to table it in the House for first reading in the months to come.

[*English*]

OLD AGE PENSIONS—CONSULTATIONS WITH PROVINCES ON PROPOSED AMENDMENTS

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. When the minister advised the House about the amendment, he indicated that it did not require provincial approval but that it required provincial consultation. Can the minister advise whether he has consulted, and will the provinces and territories now agree to the type of amendment he envisages as being included in the bill to which he just referred?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): I do not think I have ever said, Mr. Speaker, that such amendments required provincial approval or even provincial consultation. I have indicated, however, that I would readily undertake consultations with the provinces so as to maintain the spirit of co-operation developed in the field of social security over the past three years.

This project was discussed with my colleagues, if I remember well, at the last federal-provincial conference held in June, and no objection was made to the project either at the June conference or afterwards. Consequently, I think that we can proceed to consideration of a study of this project with confidence.

• (1450)

AGRICULTURE

DAIRYING—FEDERAL ROLE IN GRANTS PAID BY QUEBEC

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the fact that Quebec and Ontario producers of industrial milk are experiencing the worst year of their lives, causing the Quebec government to grant $21 million to those producers; and since the Speech from the Throne does not mention any agreement or change in policy in this connection, can the Prime Minister inform the House whether this $21 million grant paid by the province of Quebec to its industrial milk producers was made unilaterally, without consulting the federal government, or whether this is merely a provincial matter from which the government intends to hold aloof?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member seems to care little for the taxpayers' money when he suggests that the government is holding aloof from this matter, when it is in fact paying milk producers close to half a billion dollars in loans and grants. I think they get something like $150 million in grants alone. The hon. member may well be impressed by the millions of dollars given by the Quebec government, but he ought to consider also what the federal government is giving.

As a matter of fact, we are aware of the difficult situation of milk producers in Quebec and elsewhere in Canada, and the cabinet is looking into this matter in order to find some other remedial action.

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

First of all, I would like to thank the Prime Minister for making clear the point concerning long and short term loans to farmers, even though we were already aware of it. In view of the fact that the federal government granted the loans and that farmers must now meet their obligations, except for those concerning farm credit which may be reimbursed within a year or so but which nevertheless must be paid back some day, will the right hon. Prime Minister tell the House, considering the consultations he held with Quebec about this most important issue, as our milk producers are unable to meet their obligations, if the government holds a positive view of the action taken by that province, namely helping with an area of production which is none of its business and falls under federal jurisdiction, I am referring to industrial milk? Will the Prime Minister tell the House if the government holds a positive or a negative view of the whole matter?

Mr. Trudeau: Mr. Speaker, the hon. member says again, in his question, that loans alone are involved here. Obviously he is not familiar with the matter because about a quarter of a million dollars were paid to milk producers in grants. I say again that this is a considerable amount for the farmers.

When the hon. member says that the Quebec government pays out money to a sector which does not concern it in any way, he again proves his ignorance of the situation: surely he must be aware of the fact that quotas are set jointly by the provincial and federal governments and that an important part of the administration is left to the provinces. So, to my mind, in this specific regard, one is ill-advised to claim that the Quebec government, or any other provincial government, is the only one to do something for milk producers, because that is simply not true.

* * *

[English]

EXTERNAL AFFAIRS

DISCUSSIONS WITH UNITED STATES ON OWNERSHIP OF GEORGES BANK—REQUEST FOR REPORT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs and at the same time congratulate him upon his new appointment. At the present time a large proportion of Canada's groundfish stocks and almost all of our $30 million scallop industry is caught in an area known as Georges Bank, whose ownership is now claimed by the government of the United States. In light of the economic importance to Canada of the ownership of this bank, will the minister advise whether he, any of his officials, the Minister of Fisheries or any of his officials have held recent discussions with the United States over the ownership of this bank? If so, can he give a report to the House on the outcome of those talks?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member who I believe comes from the largest fishing constituency in Canada. Without looking at the record, I will not accept whether the value figures he made reference to are correct. On the second point, in recent weeks there have been two separate sets of discussions between Canada and the United States on this question of the extension of what I suppose we can call the marine boundaries. This is one of the most important matters that will come up during my meetings in Washington on Friday. Some progress is being made, but as the hon. member knows, it is a quite complex question. It may take several other sets of meetings to resolve it satisfactorily.

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AGRICULTURE

REQUEST FOR STABILIZATION PROGRAM FOR COW-CALF PRODUCERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of Agriculture, I will direct my question to the Prime Minister. If possible, I would prefer if he answered it. In view of the economic condition of cow-calf operators across this country, which is so severe it almost borders on creating an emergency for the whole country in the future, will the Prime Minister assure those producers that his

government will come forward with a stabilization program in the very near future for cow-calf operators?

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the government of Saskatchewan announced today that it is instituting a cow-calf producer program. Aside from the maritime provinces, the rest of Canada now has a cow-calf program. The federal government has stated on a few occasions that it intended to have a cow-calf program. We have had discussions with the provinces, but we have not yet arrived at a national program. The fact that some provinces do not agree on the level of payments that should be made nationally has prevented us from reaching an agreement with them.

Mr. Nystrom: Mr. Speaker, I will again try the Prime Minister. In view of the fact there are now several provincial programs, can the Prime Minister give a commitment that the federal government will match dollar for dollar the money that the provinces are paying into a stabilization fund for cow-calf producers?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the government of Canada cannot make such a commitment at this time and in any case, talks with the provinces are proceeding. We will be in a position to announce it only when the provinces, the federal government and the departments of agriculture have come to an agreement on the establishment of a program or of a similar price throughout Canada.

REASON FOR WITHHOLDING INFORMATION ON DEFECTIVE MOTOR VEHICLES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, before directing my question to the Minister of Consumer and Corporate Affairs, I take the opportunity to congratulate him on his appointment as minister.

[*English*]

It has been brought to my attention that the Motor Vehicle Safety Branch of the Department of Transport has a great deal of information concerning investigations of public complaints relating to defective motor vehicles. My question to the Minister of Consumer and Corporate Affairs is, why is this information kept secret and not released to the public?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank my hon. friend of long standing for his kind best wishes. It seems only yesterday that we laboured long and hard together for the great common cause of liberalism.

Some hon. Members: Hear, hear!

Mr. Abbott: While our paths have now diverged somewhat, it is heartening that we can work together for the benefit of the consumer. I must confess that I can only respond to the hon. member's question by advising that I am unaware of the possession of facts which he described being in the hands of the Department of Transport. However, I will make inquiries and reply.

Mr. Grafftey: In view of the government's new policy to supply more information to the Canadian people, in this particular instance does the minister not feel that the public has a right to know? Why is this particular information not made public in the form of a consumer bulletin as is done in the United States of America?

Mr. Abbott: Mr. Speaker, recognizing the usual good sense of the hon. member's points of view, I will take that into account in my inquiries.

* * *

● (1500)

REGIONAL ECONOMIC EXPANSION

REASON FOR FAILURE TO MAKE CHANGES TO INCENTIVES ACT

Mr. David MacDonald (Egmont): I have a question for the Minister of Regional Economic Expansion, Mr. Speaker. Having regard to the disappointing and surprising absence from the Speech from the Throne of any amendment to the Regional Development Incentives Act, in spite of recommendations from the minister's own Atlantic Advisory Council and constant reminders by provincial governments calling attention to major changes essential for the effective functioning of this Act, would the minister tell us whether the absence of any indication of change with respect to the RDIA is the result of lack of recommendations to his cabinet colleagues or, alternatively, of some objection on their part?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, no recommendations have actually been made to Cabinet at this point by myself or my department because we are now considering as we have done in recent weeks several representations made by various Canadian organizations on the ways to amend the act. I do hope that in the months to come we will be able to reach a consensus in that respect. I would then be in a position to submit to my colleagues in Cabinet the amendments that will prove appropriate to meet the needs.

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[*English*]

LABOUR CONDITIONS

GOVERNMENT VIEW ON LEGALITY OF PARTICIPATION IN OCTOBER 14TH DAY OF PROTEST

Mr. John Fraser (Vancouver South): Mr. Speaker, my question is directed to the Minister of Labour. It arises from the minister's statement on September 26 that he hopes the national strike is successful. He then went on to add he hopes it is legal. Can the minister tell us whether he and the government now take the position that the strike is legal?

Hon. John C. Munro (Minister of Labour): Obviously we shall have to look at events as they transpire tomorrow.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): As far as the government is concerned the advice of the independent law officers of the Crown may be that in certain circumstances there is illegality, although I am encouraged to hear that the head of the Public Service Alliance has indicated that he cannot in all morality recommend any breaches of the collective agreement as far as that significant element of the trade union movement is concerned. In the private sector, I think it is up to individual employers to decide what action they might take. As to my remarks, I was hoping, and I think there is some indication of this, that a very significant element of the trade union movement will protest, possibly, but protest legally and not break their collective agreements. It is to our interest to have a responsible trade union movement of that nature.

Mr. Fraser: In view of the fact that a poll just conducted in my own constituency shows that the ordinary citizens there overwhelmingly sympathize with the protest—

Mr. Speaker: Order. If the hon. member has a supplementary question, will he put it?

Mr. Fraser: —but that those same citizens do not agree with the method being used to protest, can the minister explain how his comments will help those who believe that breaking the law is not the proper way to protest?

Mr. Munro (Hamilton East): The obvious answer is to recommend, as I have, that if the rank and file organized worker feels under some compulsion to protest he should do so legally and not break collective agreements; he has lots of latitude to do that—lunch hours, split shifts and so on—when he is not working.

Mr. Speaker: Order, please.

Mr. Fraser: On a point of order, Mr. Speaker, this is a matter of vital importance to the country. It is a matter upon which there has already been a motion expressing concern in the House today. Yet we still find the Minister of Labour, speaking on behalf of the government, unprepared to say what the government's position is on this question of whether the national day of protest, or strike, is legal or illegal. It is clear the minister is trying to avoid this issue, especially since he made a foolish statement on the subject some time ago.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF MOTION CONCERNING TARIFF CHANGES

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a notice of ways and means motion with regard to the Customs Tariff in relation to the budget of May 25, 1976.

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[*Translation*]

SUPPLY AND SERVICES

TABLING CONTRACT WITH LOCKHEED FOR PURCHASE OF CP-140 AIRCRAFT

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, pursuant to Standing Orders I would like to table two copies in English and two copies in French of the contract with Lockheed Aircraft Corporation for the purchase of CP 140 aircraft.

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[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, October 12, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Speaker: The hon. Leader of the Opposition.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I want to begin by expressing my appreciation of that warm welcome which I think came from all corners of the House.

I also wish to begin my contribution to this debate by expressing, both personally and on behalf of my colleagues in the Progressive Conservative Party, our deep admiration of the example which has been set to all Canadians by the Governor General, not simply in his recent activities but throughout his tenure of office. We all knew him as a distinguished Canadian public figure before he came to his present office, and his courage and determination in carrying on that position in the face of affliction have been an inspiration to all Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: In my name and on behalf of my Progressive Conservative colleagues I would like to take a few moments to pay particular tribute to the wife of our Governor General, Mrs. Léger. I would like to tell her how impressed we are by

the dignity and courage with which she is assisting her husband and serving all Canada.

[*English*]

I should like also, naturally, to express my congratulations to the hon. member for Restigouche (Mr. Harquail) and to the hon. member for Lafontaine-Rosemont (Mr. Lachance) for their contributions in opening this debate. I cannot in all conscience wish them well in future parliamentary careers but I do wish them success in what remains of their present parliamentary careers.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Clark: Mr. Speaker, on behalf of my Progressive Conservative colleagues, I would like to point out that we will miss in this debate the active presence of the hon. member for Témiscamingue (Mr. Caouette). We deplore the illness afflicting our colleague, but we are sure that he will face that inconvenience with the same pugnacious spirit which he has always shown in the House. The same spirit which has enabled him to uphold untiringly federalism at a time when his position was not always overly popular.

● (1510)

[*English*]

I should at the outset take note of the changes that have occurred in the ministry since parliament rose for the summer.

Mr. Fairweather: Like an elastic band.

Mr. Clark: As my collegue from Fundy-Royal (Mr. Fairweather) points out, like an elastic band. I was going to speak of the changes in the past tense but we, like the Prime Minister (Mr. Trudeau), look forward to tomorrow.

If one measures progress by sheer velocity of change, I guess we would have to call this most recent cabinet change a change for the better. For myself, I find more truth in the assessment of my friend and colleague, the hon. member for Hillsborough (Mr. Macquarrie), who remarked that he knew of no instance where the mere act of changing the pallbearers served to revive the corpse!

[*Translation*]

The opposition sincerely regrets that the hon. member for Verdun (Mr. Mackasey) has left the Cabinet. We did not always approve his ideas, but we knew where his heart was. Unfortunately, Mr. Speaker, this characteristic is not applicable to all members of the Cabinet.

[*English*]

I should as well pay my respects to two other former ministers, the hon. members for Eglinton (Mr. Sharp) and Westmount (Mr. Drury). Both have laboured long and, to be fair and to give them their due, have laboured with considerable distinction in the public service of their country.

Some hon. Members: Hear, hear!

Mr. Clark: I should say to the hon. member for Westmount that, while we may have questioned his frankness earlier this year in regard to his dealings with members of the bench, I find it refreshing that he is now at least prepared to admit that he cannot resign his seat for fear of his party losing a by-election.

Naturally I want to congratulate the new ministers on their appointments, both those who took over full portfolios and those whose status is more tenuous or uncertain. I am particularly pleased that the government followed our lead in recognizing the importance of small business and the importance of fitness and amateur sport in Canada.

I do not think that it is unfair to the new ministers to suggest to them or to the House that the Prime Minister appears to have made their appointments with his eye as much to the electoral map as to other considerations, including considerations such as proven talent and experience. Even before this morning the Prime Minister and his advisers had clearly written off western Canada, so the hon. member for Battleford-Kindersley (Mr. McIsaac) is passed over despite his experience. The Prime Minister appears to be a little less clear as to whether or not British Columbia is fighting ground, so he has allotted B.C. one minister and three "half ministers". In regard to one of those, Mr. Speaker, I was somewhat surprised last night, when speaking to the new Minister of State responsible for small business affairs, to learn that his first visit outside of Canada in the interests of developing small business policy was going to be to the Soviet Union.

Some hon. Members: Oh, oh!

Mr. Clark: He now assures me that this is in relation to other responsibilities that he has, but I think that it will awaken some concern among Canadians who have been watching the record of the government as to what precisely is the source of its policy regarding small entrepreneurs and small businesses.

Mr. Guay (St. Boniface): Now tell us about your trip to Rome.

Mr. Clark: The hon. member for St. Boniface (Mr. Guay), who hopes by raising his voice to raise his hopes, asks about my trip to Rome. I must disappoint him by telling him that at no time during my trip to Rome did his name come up.

This is a government whose period in office is measured not by elections or by parliaments but by advertising slogans. From the "Just Society" to "The Land is Strong", we now have entered into the area of "Operation Justification". If the goal is to make the people of Canada believe in this government, then we, Sir, are not talking about an operation; we are talking about wholesale surgery.

I was interested to read reports of the Prime Minister's speech in Toronto the other day. That was his speech to the faithful; at least, there were some faithful reported to be there when it began. In that speech the Prime Minister lamented the state of the nation. He even lamented the state of the Liberal

party. Well, Mr. Speaker, my lament is not for Canada; I have sufficient confidence in the strength of the people of this country to believe that they can survive even this government.

Some hon. Members: Hear, hear!

Mr. Clark: I must say that, difficult though it is, I am able to restrain my sorrow for the state of the Liberal party. My lament instead, Sir, is for a Prime Minister and for a government that have become so isolated, so divorced from reality, that they cannot even hear let alone respond to the message of Canadians. My lament is that we have to suffer through this total lack of leadership for another two years until the Prime Minister gives the people of Canada a chance to make a fresh start.

I found, Mr. Speaker, as I am sure many other Canadians did, a particular significance in the words "operation justification". Because that indicates that this government does not believe that there is anything wrong with the substance of its policies. Its members are prepared to go out and not question those policies to justify them. They believe the only problem is with the perception of those policies. In other words, it is not the government that is at fault, it is the people of Canada who are at fault.

There is no intention evidenced, either in the outpourings in Toronto or in the carefully empty speech of yesterday, of any change in the substance of the policies; the government is merely trying to cajole Canadians to change the nature of their response to policies that are clearly inadequate to the requirements of modern Canada. There is no program. There are simply to be public relations on the part of the government in the remaining months of its mandate, and unfortunately that emphasis on public relations began in the throne speech that we received yesterday.

An hon. Member: You are sterile.

Mr. Clark: I hear that word from an expert.

Some hon. Members: Oh, oh!

● (1520)

Mr. Clark: I think that no one reading the Speech from the Throne of yesterday could fail to be overcome by the boldness, initiative, and imagination that were evident in that speech! The government, among other bright initiatives, is prepared to give "very high priority to the promotion of better understanding among Canadians". There is a government with courage, boldness and foresight.

Then carrying on in that same tradition the government is prepared, and prepared absolutely and fearlessly, to review what federal programs might be transferred to the private sector. It is going to be a fearless and courageous review.

Then the government is sneaking up finally on the question of freedom of information, that question raised by my colleague, the hon. member for Peace River (Mr. Baldwin), in a way that does singular credit to him and to this House.

Some hon. Members: Hear, hear!

Mr. Clark: That is a question which I had concluded had now become safe to discuss in Canada because it is a cause even being promoted by the former minister of finance.

An hon. Member: A former minister of finance.

Mr. Clark: Yes, a former minister of finance. I assumed that the former minister, the former hon. member for Ottawa-Carleton (Mr. Turner), was simply repeating before a public forum a recommendation in the direction of greater freedom of information that he made so vigorously to his colleagues in Cabinet during the long time when he had some influence over the affairs of the country.

Some hon. Members: Oh, oh!

Mr. Clark: We had thought that at least this was a safe question on which initiative might be taken, but we found that, instead of bringing forward legislation, what the government is going to do is once again have another green paper, another study as to whether or not it is safe to trust the people of Canada with information about Canada.

Some hon. Members: Hear, hear!

Mr. Clark: Having said all that, Mr. Speaker, it is clear that there was nowhere where the government was more forthcoming or more courageous than when it faced up to the thorny problem of its proper role in the Canadian economy. The choices before the government were very difficult. On the one hand, and I apologize for paraphrasing it, there were strong forces demanding more intervention, as in the assertion which I want to quote:

> The end is a free society of men and women and children . . . and free collective bargaining and the free enterprise system are some tools we have devised to reach that goal. But they're just tools and if they don't provide the right results, we'll curtail a little bit of collective bargaining or the market place free market system—

Against that position were raised equally strong voices supporting the private sector, as in this statement:

> Our strongest and most promising asset is the spirit of the people of Canada, our willingness to tackle difficult challenges head-on, our tradition of self-reliance, responsibility and individual intiative.

What a choice for the government to have to make. Imagine the agony of having to choose between Pierre Elliott Trudeau of April and Pierre Elliott Trudeau of October.

Some hon. Members: Hear, hear!

Mr. Clark: Imagine the dilemma of a government having to choose between its Prime Minister and its Prime Minister.

Some hon. Members: Oh, oh!

Mr. Clark: It did so with the ingenuity that has become the hallmark of modern Liberalism. The government made its choice and came down four square with Keith Davey.

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, I should say that there is no question in the mind of any of us here that the government could sustain any number of resignations or defections from its parliamentary ranks so long as Keith Davey stays in place.

Some hon. Members: Oh, oh!

Mr. Clark: But, if this throne speech was to have any relevance in current Canadian reality, it had to include above all some sense of direction for Canada, some idea of what the government really intends to do with the current controls program and, equally important, what goals it has for the country as we emerge from that program. Canadians do not know where the government is leading them. The Prime Minister and his colleagues have piled conflicting statement on conflicting statement to the point where the overwhelming characteristic of the Canadian mood is sheer uncertainty.

The government had the opportunity, and I believe the obligation in this throne speech, at least to begin the process of easing that uncertainty; of at least beginning to come clean with Canadians. Instead of that we are given some vague talk about the "middle road", and even more vague promises to begin—note, "to begin"—a process of consultation.

What a confession that is for a government to make; that after a full 12 months of controls it is now thinking seriously of beginning a consultative process. It was clear when this program was first proposed here that the purpose of bringing in controls was to buy some time, to get some breathing space that would allow that kind of consultation, and that would allow the bringing together of the economic partners of Canada in order that we might get some agreement as to what we were going to do once the controls' period was ended.

Having it clearly understood that that was the purpose of the program the government stole, why did it take the government 12 months and even more to begin the simple process of consultation? This was the government that boasted it had its full contingency plans ready some three years ago. Instead of contingency plans and instead of consultation we have wasted a full year, a year in which we have not only begun to suffer the inevitable distortions of a controls régime, but during which the climate for securing some kind of consensus of agreement among the partners in the economy has been seriously eroded, thanks to the Prime Minister's propensity for loose talk and confrontation politics.

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Clark: The government admits through the throne speech that inflation is still a serious problem. However it forgets to put the problem within its economic context which is considerably greater and more disturbing for Canadians than for this government. There is no indication in this speech that the government admits the slowness of the recovery and the evidence that we are far from achieving our economic potential. In reading it, no one can detect the fact that Canada is facing a serious problem of balance of payments and that its competitive position on international markets is continually eroding.

[*English*]

The government asserts its concern about inflation, yet nowhere does it acknowledge that it controls the most basic price of all, the price of money, and that interest rates in this country remain at extremely high inflationary levels. Indeed, we are treated in the name of a housing policy to a rerun of that old cliché about one million starts every four years, when anyone who has cared enough to talk to young Canadian families knows that the main problem today is not finding a house, but is finding the money to finance a mortgage.

Some hon. Members: Hear, hear!

Mr. Clark: I presume the Prime Minister is out talking to Canadians again, and if there is one thing I wish to congratulate him on it is on getting out and rediscovering the country. He usually does it once every four years, but the polls changed rather quickly this time. I understand that in doing that he concedes he is following my lead, and I trust that he will get accustomed to doing that.

Some hon. Members: Hear, hear!

Mr. Clark: I note, Sir, that in a flush of uncharacteristic frankness he announced in New Brunswick the other day that the only way the Liberals can win the next election is by a miracle. I have been out campaigning in Ottawa-Carleton and in St. John's West, as the Prime Minister conspicuously has not been, and I can assure him that he will need more than a miracle there. I should say we at least do not really believe he is in that league anyway.

• (1530)

But, Sir, if we can take the Prime Minister's suggested itinerary as being the gospel, to continue the analogy, he is planning a miracle for next week. Just as soon as the results from the two by-elections become known he will disappear. I understand there is unanimity in his cabinet that he should go to Japan. The only argument was about whether or not he should return.

Some hon. Members: Hear, hear!

Mr. Clark: It is not unusual for a throne speech to be obscure or imprecise, but this speech is much more than that. This speech is misleading. It uses soothing words to try to deny the direction in which the government has been carrying the country. It praises consultation when the government's consistent position has been to act unilaterally. It talks about "a reliance on the market to stimulate growth" when this government, through delays and threats and constant changes, has done more than any other agency to inhibit that kind of growth.

It talks about reducing the number of public servants and is silent about the increasing number of consultants the govern-

ment has acquired, often without the protection and the standards guaranteed by the Public Service Commission.

Some hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, it is bad enough that a government in mid-mandate, elected with a solid majority, should use a throne speech to mislead instead of lead. But that is particularly damaging for this government because Canadians have come to expect that this is a government which cannot be believed. Its history has been marked not simply by changes but by absolute reversals.

In 1974 the Prime Minister campaigned against the very idea of controls. We can remember him pointing his finger on the television screen saying, "zap, you are frozen", and then a year later he imposed what he had opposed. On May 10 he told the trilateral commission that, "to me that is the end of separatism"; and ten days ago in Toronto he said, "But now, perhaps, an increasing number of French Canadians think they do have somewhere to go. And there is a legal political party which for a variety of reasons is getting a large percentage of the vote in Quebec."

This throne speech tip-toes toward greater freedom of information; yet the government still hides the secret reports on post controls prepared by the ten deputy ministers, the group known as the DM ten. The speech again says controls will come off, but then it goes on to propose to negotiate their extension with the provinces. In all of this there is one clear message, which is that no amount of flim-flam can obscure the fact that this is a government that Canadians cannot trust.

Some hon. Members: Hear, hear!

Mr. Clark: And without trust it is a government that cannot govern, because a basis of trust in a federal and diverse country like Canada is elemental to national unity.

I want to speak for a moment about national unity because I think there has been a mistake in assuming that bilingualism, important as that is, is the only implement or the only issue of national unity in Canada.

[*Translation*]

Due to the agreement given by all parties in this House, bilingualism has become law and it will remain a basic principle of any Progressive Conservative government which is assured of receiving then as it does now the support of the minority parties in this House. However, the manner in which bilingualism has been implemented has caused some concern among many Canadians, French-speaking as well as English-speaking, but there is no reason to call them bigots or racists. On the contrary, what they need is to consider calmly various injustices now existing in the public service or elsewhere so that the program will be efficient in terms of the law and will be accepted in practice. This is our party's commitment.

[*English*]

Constitutions are important; laws are important. But this country is more than laws, more than constitutions; it is above all a partnership, and the essence of partnership in this country is to establish a basis of mutual respect and trust. That has broken down in Canada. It is not an accident that it has broken down. It is not due to impersonal forces from abroad. It has broken down because of now nearly a decade of the practice by this government of taking unpredicted unilateral actions and unilateral decisions to withdraw from shared costs programs which previously were forced upon the provinces, of unilateral changes in the anti-inflation board controls after many of the people affected by those controls had just gone through the costly process of adjusting to the rules that had been there, and of unilateral imposition of the program of controls without any consultation with the Canadian Labour Congress or any of the other partners who were directly to be affected.

You cannot run a country unilaterally. You cannot run it on your own. The mistake the government has made, and which it seems intent on continuing to make, is that it alone is the government which can call all the shots in Canada. Of course we need in this nation a strong national government, but we also need in this nation strong provincial governments, a strong private sector, a strong labour movement, a strong agriculture, and a number of other partners who can work together to achieve the promise and the potential of this country.

Some hon. Members: Hear, hear!

Mr. Clark: What we have instead is an administration that is governed by surprise—changing the AIB regulations without warning, bringing in controls without warning, and depriving Canadians of the climate of certainty which they need to plan their own lives and to pursue their own goals free of the fear that the rules will change in the middle of the night.

[*Translation*]

The Speech from the Throne briefly referred to the formal constitutional independence of our country. I am sure all hon. members would agree to the patriation of the constitution. However, we must not forget that we are now dealing with two issues. One is purely symbolic: It is bringing back home the document; the other is essential: It implies an agreement on the amendment formula which would make the constitution workable. At a time when the provinces do not trust the federal government disagreement over the amendment formula is to be expected. We should all be aware of the danger that the relentless pursuit of the symbol may jeopardize the chances of an agreement about the amendment formula.

● (1540)

[*English*]

There appears to be some question about the accuracy or the nature of the interpretation of the stance of the Government of Canada on the constitutional questions by the hon. member for Winnipeg South (Mr. Richardson), the former minister of national defence. I presume that there were also other reasons for his resignation. I want to put that question aside, however, regarding the apparent reason for his resignation because one of the things that is most significant about the resignation which occurred this morning is that the hon. member for

Winnipeg South, who did not have to come to parliament for a career, was one of many Canadians in 1968 who thought the present Prime Minister would bring a fresh and hopeful spirit to national affairs. I do not know if the former minister of national defence feels deceived; I do know he feels disappointed, and for the country the tragedy is not that one more minister has gone; it is that the Prime Minister who was the repository of so much hope was prepared to trade it all away to take the advice of his flim-flam friends who contrive different incarnations whenever public opinion polls change.

Some hon. Members: Hear, hear!

Mr. Clark: This was once a government of some purpose. No fair man can deny the sincerity of the Prime Minister's personal commitment to bilingualism, and perhaps to other goals. But that sense of purpose is gone. There is on the government benches an unmistakable and desperate will to stay in office, but there is no will to govern—

Some hon. Members: Hear, hear!

Mr. Clark: There is no will to face the real problems of Canada, problems of regional disparity such as those raised by my colleague, the hon. member for Egmont (Mr. MacDonald) today, problems of falling productivity, and the fact that too many Canadians cannot afford to buy a home. That commitment went out when the ad men came in.

There is plenty of rhetoric in this speech about the potential greatness of Canada. We all know about that potential and we all accept it, but the job of government, the challenge of the real leadership, is not simply to tell us about our potential; it is to help guide the country toward responding to that potential.

Some hon. Members: Hear, hear!

Mr. Clark: This government is in an unique position to do that. It has a solid majority in parliament although it is beginning to show strains and, until tomorrow's news at least, it has a full two years remaining in its present mandate. It has the support and assistance of a public service that is large and, in the great majority of cases, very capable, and it has a country and a people who are ready and eager to respond to some sign of genuine national leadership.

The real tragedy of the throne speech is that it fails completely to match either the mandate of the government or the legitimate expectations of the people of the country. In a country that needs above all to renew its trust in government and its confidence in itself, this speech offers more reasons for distrust and new causes of uncertainty.

It is not the job of the opposition to write throne speeches—we will come to that—and it is not our task two years before an election to present a legislative program—

Some hon. Members: Oh, oh!

Mr. Clark: I appreciate the interest of my colleagues opposite in our proposing a legislative program, because unless we did that they would have nothing to guide them.

Some hon. Members: Hear, hear!

Mr. Clark: Our responsibility instead is to put forth our sense of national priorities, and I have no hesitation at all in saying that our priorities are quite different from those offered by this government.

Some hon. Members: Oh, oh!

An hon. Member: What are they?

Mr. Clark: I thank you for asking. The overriding concern at this point in time—I hope you are taking notes—must be to achieve the realistic growth potential of the Canadian economy. As I have stated on many previous occasions, sound economic growth is not an alternative to fighting inflation; it is an essential precondition to any successful long-term policy to contain inflation. If the former solicitor general, at present the Minister of Indian Affairs and Northern Development (Mr. Allmand)—

Mr. Allmand: Not motherhood anyway.

Mr. Clark: I say this with a certain chagrin because he now has some responsibility for parts of my constituency.

Some hon. Members: Oh, oh!

Some hon. Members: Which one?

Mr. Clark: I know that that matter raises some interest on the other side because the Liberal party has no reason at all to know anything about electoral boundaries in Alberta.

Some hon. Members: Hear, hear!

Mr. Clark: Of course there is some competition for nominations in the Conservative party in Alberta. The only thing the Liberals run for in the province of Alberta is the Senate.

Some hon. Members: Hear, hear!

Mr. Clark: I might come back to the question. The elementary lesson which the government seems unable to grasp is that it has a responsibility not simply to help redistribute national income but also to help generate national wealth and income. In my judgment a serious commitment to economic growth, not mindless growth but the realistic potential of our economy, is fundamental to achieving the broader aspirations of our society. Indeed, as I look at the problems of national unity in more than the momentary context I see them not so much now and in the decade ahead of us as a matter of language policy, as important as that is, but rather national unity in the next decade will depend on the capacity of all regions and all the people of this country to participate in the benefits of economic growth.

Some hon. Members: Hear, hear!

Mr. Clark: I see that the newly appointed Secretary of State for External Affairs (Mr. Jamieson) is smiling at that matter and I cannot help but note that when he was home recently

defending his program he was doing something other than smiling when he met his constituents.

The other priority which is absolutely essential for the Government of Canada to follow as a basic principle is to begin to rebuild the concept of genuine partnership among the major elements of Canadian federalism.

My concept of federalism, and it is the concept of this party, accepts that there can be and there should be strong provinces along with a strong central government. Unlike the Prime Minister, I do not see them as alternatives to each other. I am not afraid of Maurice Duplessis, or Peter Lougheed, or Gerry Reagan, or Robert Bourrassa—

An hon. Member: What about Claude Wagner?

● (1550)

Mr. Clark: The fear and concern of the hon. member for Ste. Hyacinthe (Mr. Wagner) is reserved to members on the opposite side of the House and not those on this side.

Some hon. Members: Hear, hear!

Mr. Clark: As I indicated earlier, a partnership depends on trust, and if the government has done anything during the past few years, it has been to shatter any feeling of trust among its partners in Canadian society. Who can trust a prime minister who governs by surprise, who changes the rules in the middle of the night, who piles unilateral decision on unilateral decision, and whose only consistent rule of operation seems to be to do today what he said he would not do yesterday?

Some hon. Members: Hear, hear!

Mr. Clark: At the bottom line that is what is wrong with this country and with this government. We have national leaders in this government whom the people of Canada, the provinces of Canada, business, labour, and the other partners simply cannot trust and the tragedy is that unless the defections continue and unless the cabinet continues to trickle away, we are stuck with this government for another two years. I hope for Canada's sake that this government will mend its ways and change its direction.

I wish for Canada's sake that I could look at the throne speech and say that the government is changing, but in all conscience, and particularly on the record of the document read yesterday, I cannot, and I therefore move, seconded by the hon. member for Ste. Hyacinthe, that the following be added to the Address:

We respectfully affirm to Your Excellency that the Speech from the Throne is a further example of the opportunism which has cost the present administration its credibility among the people of Canada and that your ministers no longer enjoy the confidence of this House.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Some hon. Members: Hear, hear!

[Mr. Clark.]

Mr. Trudeau: —the applause which greeted the Leader of the Opposition (Mr. Clark) from his side of the House and the applause which then succeeded it, I think, indicates that all in this House are happy for the tone which has been set for the oncoming session by the Leader of the Opposition. Certainly hon. members on this side and you, Mr. Speaker, I am sure, will welcome the fact that the Leader of the Opposition has chosen to open the session in such a constructive way, following the tradition, naturally, of disagreeing with the content of the Speech from the Throne, but doing so with very compelling rhetoric, and I must say, devastating wit which leaves us on this side so much crushed! I do not think I will be able to emulate him. My speech will not be as funny and perhaps will be a little shorter, but on at least one point I want to agree with him, and that is on the statement he made at the outset about the mover and seconder, from whom we heard contributions yesterday.

[*Translation*]

I would like to congratulate the hon. Member for Restigouche, one of the two newest members of the House, and the hon. member for Lafontaine, the youngest member, for the eloquence with which they moved and seconded the address in reply to the Speech from the Throne. The presence of such outstanding young men among us demonstrates the ever-renewed vitality of the House of Commons, as well as its ability to reflect the varied regional and cultural concerns of Canadians.

It was a year ago today, Mr. Speaker, that I spoke to the people of Canada, announcing the government's decision to apply price and income controls.

It has been a year of difficulty and achievement for Canada. The greatest of those achievements is the way most Canadians have responded to the challenge to share the burden of restraint. It is because of that response that I am able to report today, twelve months later, that inflation has become a less disruptive, less threatening force in our lives.

That it remains the single most dangerous obstacle to economic stability cannot be denied. That is why the controls program must continue. That is why it is so important for the people of this country to keep on sharing the restraint which is our best hope for renewed strength and growth.

Of the key groups of Canadians whose support has been vitally necessary to the success of the anti-inflation program, only two groups have been total disappointments to the people of this country. I am referring of course to the members of the two major opposition parties in this House.

While some businessmen were opposed to the program from the beginning, the great majority of those who own and manage the many thousands of large and small business enterprises in Canada have done what was expected of them in helping to make the program work. While the executive of the Canadian Labour Congress adopted the position that everyone except organized workers should restrain their demands upon the economy, most of those workers themselves, in their hundreds of thousands, support the program and have agreed to settlements within the guidelines.

Of nearly 18,600 settlements submitted to the Anti-Inflation Board up to September 10, some 11,000—or 60 per cent—covering more than 1,200,000 workers, were within the guidelines.

While some provincial governments expressed reservations, all entered into anti-inflation agreements with us and all are making every effort to deal successfully with the job.

The Supreme Court of Canada has upheld the validity of the act passed by this Parliament and the majority of Canadians continue to give the program their support.

● (1600)

[*English*]

An important part of the success we have achieved is the result of the extraordinary dedication of the members and staff of the Anti-Inflation Board. To the chairman, Jean-Luc Pepin, the administrator, Donald Tansley, and to the men and women who work with them I offer my congratulations and my gratitude.

Here in parliament it has been a rather less inspiring story. The Leader of the Opposition, for example, has continued to project the confusion of the position he adopted when the controls were being debated in this House. Along with his party he voted for the program on second reading, and against it on third reading.

In his speech a moment ago, in the same breath he referred to the anti-inflation program as the program that we stole from them and then went on to talk about a contingency plan that we had for bringing in inflation—controls—

Some hon. Members: Oh, oh!

Mr. Trudeau: —if inflation were caused by certain domestic events. I can only suppose, Mr. Speaker, that between the second and the third reading they suddenly discovered we had not stolen their program but it was a program all our own, and that is why they changed their minds.

The hon. Leader of the Opposition keeps talking about a freeze and does not seem to realize that the program that was brought in by this parliament a year ago did not in any way entail a freeze. It may be something with which the Leader of the Opposition disagrees, but I think it would be important that he understand the reality before disagreeing with it.

Up to and including today, neither he nor his party have contributed anything to public understanding of the crippling and pervasive impact of inflation upon the lives of Canadians, nor any suggestion of appropriate economic tools for the future, nor any support of the vital national effort to control inflation.

The Tory policy on fighting inflation is to have no policy, to avoid stating a policy, while trying to stand firmly on every side of the issue.

Just recently, when the Leader of the Opposition was asked for his position on the general strike planned by the Canadian Labour Congress for tomorrow, or the general protest, to use the more accurate word, he, I think, dodged the question. If he is accurately quoted he said that while he could not support illegal action he could understand the reasons for it. Conversely, on bilingualism, we have just heard him express his point of view. He does support the policy but he cannot understand its applications. So the closest we can come to defining the Tory approach to policy issues is that they cannot support what they can understand, but they cannot understand what they support.

Some hon. Members: Hear, hear!

Mr. Trudeau: But I suppose we should not be too hard on the Tory leader's non-policy on the controls' program, Mr. Speaker. He cannot be expected to solve inflation—and Bow River—at the same time.

Some hon. Members: Hear, hear!

Mr. Trudeau: Then there are the efforts of the leader of the New Democratic Party (Mr. Broadbent) to match the "welfare bum" campaign of his predecessor. The hon. member for Oshawa-Whitby is in the embarrassing position of having declared a war on profits which nobody seems to want to fight. Not even his encouragement to law-abiding Canadians to break their contracts and defy the law of the land tomorrow—

Mr. Broadbent: I thought it was a day of protest and not a strike.

Mr. Trudeau: Mr. Speaker, this is our hope, that it will be a day of protest without breaking any contracts or any laws. This is the hope that the Minister of Labour (Mr. Munro) expressed before, and again today. I have not seen the Leader of the New Democratic Party express that hope but I will be glad to listen to him if he is going to say that—that the protest tomorrow should in no way infringe any law or break any contract; then I would stand corrected. But if, on the contrary, he is encouraging a protest which does entail the breaking of contracts and of the law, I suggest that he is trying to buy support at a very high price—the price of dereliction of responsible leadership.

I hold him even more responsible than the CLC executive for advising workers to engage in an illegal strike, because unlike the CLC leaders he was not pushed into an irresponsible position by militant factions within his own membership. If he wonders why it is difficult to win the same degree of public respect as was accorded to Mr. David Lewis, the answer may lie in the fact that Mr. Lewis was not in the habit of seeking public advantage by counselling disrespect for the law or for legal obligations.

Some hon. Members: Hear, hear!

Mr. Broadbent: What a phony!

Mr. Trudeau: What are we to think of the present N.D.P. leader's attempts to undermine the anti-inflation program with his indiscriminate attack on profits? Does he really expect people to believe that the only good business is a bankrupt

business? If his intention is to criticize only excess profits, why does he not give any standards by which excess can be judged? If his intention is something more than simply playing upon some people's negative reaction to the word "profit", why does he not distinguish among various corporate performances? Does he admit that increased profit resulting from a higher volume of sales or higher productivity can mean more investment, more growth, and more jobs for Canadians? Does he believe that a company which had a bad year in 1975 should aim for another bad year in 1976, so as to maintain the purity of its dismal profit picture? What is he trying to say to Canada, Mr. Speaker? What is he trying to say to the people? Is he trying to say that income controls are working but price controls are not?

Mr. Broadbent: That's right.

Mr. Trudeau: Or that both are working, but to the comparative disadvantage of workers? Well, let us look at the facts.

The most visible fact is that the cost of living, as measured by the consumer price index, has risen at a significantly slower rate during the past 12 months than during the year before. When the controls were introduced last October, the CPI was rising at a rate of 10.6 per cent. Last month the rate had dropped to 6.5 per cent. Everyone in Canada has benefited. That decline has been to the advantage of everyone in Canada, and most particularly of advantage to those Canadians with middle or low incomes.

● (1610)

Mr. Broadbent: And it has nothing to do with the controls program.

Some hon. Members: Oh, oh!

Mr. Broadbent: Read the *Financial Times*, one of your bibles, and see.

Mr. Trudeau: The hon. member says it has nothing to do with the controls program.

Mr. Broadbent: It has nothing to do with it.

Mr. Trudeau: I imagine he is thinking of the role food prices have played in the decline of the CPI.

Mr. Broadbent: Meat prices, perhaps.

Mr. Trudeau: It just happens that my speech writer anticipated that argument. It is so banal and such a cliché that even my speech writers knew what the hon. gentleman would say.

Some hon. Members: Hear, hear!

Mr. Trudeau: Let me continue reading. There are some who claim that the more favourable CPI figures this fall are attributable to lower food prices and, because farm-gate prices are outside the scope of controls, the guidelines have played no part in the improved price picture. I will read the next part slowly, because I want the leader of the NDP to understand it.

[Mr. Trudeau.]

Mr. Broadbent: I will struggle.

Mr. Trudeau: He has repeated his paralogism too often. I point out that while farm-gate prices have decelerated by about the same amount in both Canada and the United States, our retail food prices are decelerating more quickly than those of the Americans.

The food component of the CPI rose by a rate of 9.1 per cent in Canada during the ten months prior to controls—I repeat, the food component rose by 9.1 per cent—and by only three tenths of one per cent during the ten months after the controls were imposed. In the United States those same prices were rising at a lower rate of 5.5 per cent during the equivalent period last year—the figures are 5.5 per cent in the United States and 9.1 per cent in Canada—but have been rising at six times our rate—1.9 per cent—this year.

Mr. Baker (Grenville-Carleton): Those statistics are dry.

Mr. Trudeau: I was reading slowly. I am prepared to read those words again, in case the hon. member did not understand.

Some hon. Members: Hear, hear!

Mr. Trudeau: Perhaps the leader of the NDP is wondering what is the reason for this? How can this be? It is very simple, Mr. Speaker. The largest element in the retail price of food is not the cost of buying it from the farmer, but the costs of processing and distribution, and those latter costs are subject to controls. Some have calculated that 60 per cent of the retail price, more or less, is not made up of the price at the farm-gate but of the price of those after-operations, processing, distributing, and so on. That is why our prices are rising so much more slowly than in the United States, at a time when both countries are experiencing a similar deceleration in farm-gate prices because of excess supply.

Because the increase in the cost of living is declining, and because Canadian workers are permitted under the guidelines income increases greater than the increase in the cost of living, those workers are staying ahead of inflation and experiencing real gains in income, a real increase in their purchasing power. Consequently when the CLC claims workers are suffering the most under controls while companies are only loosely controlled, the CLC is totally in error.

The fact is that by any measure—whether total wage and salary incomes, wage settlements, or average income per employed worker—the working men and women of Canada have experienced a real increase in income of some 3 per cent to 4 per cent over last year.

Mr. Broadbent: Nobody believes it.

Mr. Trudeau: All of these income measures—

Mr. Broadbent: And you don't believe it.

An hon. Member: You do not understand.

Mr. Trudeau: Mr. Speaker, that remark was typical of the negative approach to society for which the NDP always stood. That may be an occupational malady for any person sitting on that side of the House, Mr. Speaker. When the CPI figures are bad for the country, they choose to believe those figures; but when they are good for the country, nobody on that side believes them.

Some hon. Members: Oh, oh!

Mr. Broadbent: Tell us more bad jokes.

Mr. Trudeau: I was saying, Mr. Speaker, that all of these income measures have increased by about 10 per cent—whether it be wage settlements, average income per employed worker, or total wage and salary incomes—all these measures have increased by about 10 per cent over last year, while the CPI in September had increased only 6.5 per cent over last year.

Year over year real increases in average weekly earnings for workers in all industries were higher in the second quarter of this year than any time since the first quarter of 1972.

The total share of wages in national income has regained the high point reached in 1971, while the share of corporate profits has correspondingly declined. This is yet another indication that the control of corporate profit margins is working successfully.

Of course it is true that wage settlements are showing a slower rate of increase this year than last. But what is important to the worker's wife when she goes shopping is that, because of price controls, she has more purchasing power this year than she had in 1975 before controls. Apparently it does not suit the CLC or the NDP, or for that matter the Tories, to tell that to the Canadian worker and to his wife. I wonder why. Perhaps the opposition will tell us why during the course of this debate; or will they stand mute in the face of the accusation of misleading the public for partisan purposes?

The figures are there, Mr. Speaker. They can be interpreted various ways. We only ask that they be interpreted the same way before controls and after controls.

I can understand the arguments of those who say that we need controls but they should end fairly soon, or that we needed controls and they should be modified; but I cannot understand the arguments of those who say we are worse off now with controls than we would have been if we had not had controls. I certainly cannot understand the arguments of the CLC, of many businessmen and of some hon. members on the other side of this House who are suggesting that we should take off controls now. I have said this before, Mr. Speaker: if it could be guaranteed that we would not return to the high rate of demand for various forms of income that were present with us one year ago, the government might be tempted to do that. But no person, certainly not the leader of the NDP, nor the leader of the CLC, has pledged his seat or office for the guarantee of that reality, that if controls come off, suddenly there will be no increase in the inflation rate.

From the very beginning of the controls program the government told the people of Canada that they would not be expected to endure a real loss of income, but simply to accept a rate of increase in real income consistent with the growth rate of the economy. They are experiencing that real increase. The figures I just cited show that, Mr. Speaker. Canadian workers are improving their purchasing power, and labour's share of net national income is rising.

● (1620)

[*Translation*]

No reasonable person can deny that controls have served the best interests of the Canadian worker, of the average Canadian. And when workers realize that fact fully, realize its implications for themselves and their families, they will have a right to feel badly served—not only by the CLC leaders, but also by those whose interest lies in undermining public confidence in the controls program.

It is evident that Canadians know they have benefitted under controls, and will benefit still further as the program continues to restrain prices and protect real income gains next year and into 1978. The fact that they know this is reflected in the 60 per cent of wage agreements which have been voluntarily settled at or below the guidelines since last October.

At the outset of the program, we said the immediate target was an inflation rate of 8 per cent by the end of the first year of the program. We are meeting this target. Our success so far gives us confidence that we will also meet next year's more difficult target of 6 per cent.

As we enter the second year of the program, Canadians can expect a further reduction in the rate of wage increases, a further reduction in the rate of price increases, a further reduction in the rate of increase of government spending and the growth of the public service.

And as those reductions take effect, we will approach closer to one of the major longer-term objectives of the anti-inflation program—a more realistic level of expectations among Canadians in relation to future income and price increases.

To accelerate the movement toward more realistic expectations, and to lay the groundwork for the removal of controls without a renewal of inflation, the government will be asking Canadians to take part in the consideration of economic and social policies appropriate to balanced growth without controls, and without inflation.

Within the next few weeks, the government will be placing before the people of Canada our analysis of the major problems Canada faces, the principles, and the strategic directions the government has chosen to pursue. In some strategic areas, policies are already clear, and were announced yesterday in the Speech from the Throne. Other important policy decisions, however, cannot be legislated or implemented with any hope of success unless they reflect the will, the understanding and the choice of those who would be most affected by such decisions.

That is why the government over the coming months will seek the close co-operation of Parliament, the provincial governments, business, labour and the general public in focussing on the priority problems the government has identified, on the strategies we will propose, and on choosing from among the options which we will define.

Those choices, and their co-operative adoption by Canadians, are the second crucial element in the anti-inflation program. Controls buy us the time to make the changes necessary for future stability and growth. The government has been using the time provided by the first year of controls to analyze the major economic problems which lie in the path of our future stability, and to define the options available to us. Now it is time for the second phase of that process, the involvement of Canadians generally in making the important choices presented to us by the difficult and promising times in which we live. As those choices are made, they will be translated into new laws and new working mechanisms for achieving growth without inflation.

In the consultation process which will be an integral part of both the further refinement of price and income controls, and the development of new strategies, the government will be very responsive to the concerns and ideas of the people it serves, but will not swerve from its determination to remove inflation as the major threat to our economic health. The strategic areas upon which we hope to focus the attention and action of Canadians are employment policies, social policies, labour-management relations, the sharing of social responsibility, decentralization, growth and investment.

It will quickly become apparent, to all who choose to join with us in tackling the present impediments to stable growth, that inflation is a pervasive disease that is as serious a social and cultural problem as it is an economic one. It is because of the government's commitment to Liberal social goals that we place a particularly high priority upon dampening those inflationary forces which impede full employment, greater mutual respect, safety and health in the working place, and the decentralization of economic opportunities.

We invite the working men and women of Canada to be full partners in the pursuit of social justice and equality of opportunity, to join us under the umbrella of the law of the land in choosing better ways toward a better future for all Canadians.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Yesterday, Mr. Speaker, when I was asked for a quick response to the throne speech I said that it had obviously been ghost-written by Dr. Gallup and that political expediency virtually oozed from each of its paragraphs. After an evening of reflection and spending some several hours in preparation for today's debate, and after listening to the Prime Minister (Mr. Trudeau) this afternoon, I feel my comments of last night were indeed a model of restraint.

The throne speech is a political document. It is punctuated throughout with the cynicism that underlines the government's contempt for the people of our country. I say contempt most seriously, because in more than two years since the last election the Liberal party has done nothing to deal with the problems it said were pressing in 1974. Now, having reached an all-time low in popularity, it thinks Canadians can be bought off with glib phrases.

Nowhere in the throne speech does the government indicate that it is planning a massive response to the worst level of unemployment in modern times. Instead the government responds with rhetoric which might improve its standing in the popularity polls.

Nowhere in the speech does the government indicate it has a policy to deal with the crisis of rising oil and gas prices. Instead it only talks of an awareness of the need for conservation of energy resources.

• (1630)

Nowhere in the Speech from the Throne does the government indicate it is prepared to come to grips with the serious housing needs of the people of Canada. Instead it complacently admits that its currently inadequate housing policies will have to do in the future.

The outline of the government's proposals reads like a litany of past and future evasions. In almost every case the government touches on some important element of Canadian life only to avoid coming to grips with the issues. And, as I have already said, the Speech makes no more than a passing reference to three of our most serious problems—jobs, energy, and housing. When the federal government, the senior level of government, can produce a document as cynical as that which was read from the Throne yesterday, is it any wonder so many people today are turned off by politics and politicians?

Why should Canadians take their government or politicians seriously when the governing politicians ignore the real problems facing the vast majority of the people? Why should they trust the government, particularly the government of the present Prime Minister, a politician who in 1974 campaigned for office pledging action in specific areas and totally rejecting wage and price controls? What we got were controls and no action on the specific problems which were the subject of his undertakings. Mr. Speaker, no politician in this country has done more than the present Prime Minister to foster the skepticism with which Canadians increasingly view political activities.

Canadians are fed up with political promises of a "just society", or more recently a "new society", when those promises come from a party which vacillates instead of leading. Now, according to the Speech from the Throne, the Prime Minister has embarked upon a program to build a "middle society", a society in which "individual initiative" and "reliance on the market" become the touchstones of government policy, a so-called "middle society" where social goals are pursued by improving the market because that is what the business community wants.

Does the Prime Minister think Canadians cannot see through this middle-of-the-road nonsense? Does the government think Canadians will not recognize this cynicism?

Achieving social justice and equality of opportunity in our society demands a commitment to change existing structures which have remained unjust and unequal for too long. Yet here we find the government stating categorically that it has no intention of attempting any change which might offend the established order. The message from Bay Street during the summer of '76 has gotten through to the Prime Minister's office.

The real significance of the Speech from the Throne is that it stands as a Liberal party policy paper revealing the disorganized and impoverished state of its authors. It shows clearly that this besieged gaggle has consciously returned to Mackenzie King cynicism. The Liberal message from now on will be, "We are finished with openly trying to build a better society." Liberals will stand instead for the "middle way", the way that carries no commitment. Well, the middle way is really the muddled way, and Canadians know it. It is a way which enables cynical politicians to try to have it both ways. However, the people know better now than to fall for that kind of game.

The Speech from the Throne may or may not have been the swan song of the Prime Minister—we shall have to wait a few more months to see whether his party can survive with him—but it unquestionably laid to rest his political credibility. This latest flip-flop, this calculated muddling, won't wash with Canadians. It comes too close on the heels of the broken promise concerning wage and price controls. It comes at a time when Canadians want leadership and commitment in coming to grips with their problems, not glib responses to popularity polls. It comes also at a time when Canadians can see the Official Opposition party busy providing no alternative. Canadians witness not only Liberal cynicism but also Tory opportunism.

If the audience is the Chamber of Commerce, the Tory position is that profits must be uncontrolled. If the audience contains a sprinkling of trade unionists the Tories claim to understand why workers wish to protest against controls. One day the Conservatives take credit for wage controls, and the next they condemn those controls. The ghost of Mackenzie King is schizophrenic; not content with the Prime Minister's residence, it has also taken up residence in Stornoway.

The Canadian public looks to the official opposition for an alternative. Instead they find the same calculated vacillations as those of which the government is guilty. The voter looks to the Tories for unity of purpose, and finds instead a continuation of disunity. Canadians fed up with Liberal flip-flops will soon see that Conservative indecision is not one whit better. The Tories say they are keeping their programs secret until the election; no doubt they are, because were they to be revealed now they would be seen to be as vacuous as yesterday's throne speech.

This second session of the thirtieth parliament could, if the Prime Minister and the government chose, go a long way toward reducing the skepticism felt by the average person toward government and politics. What is required is a readiness to come to grips with the real issues. The official opposition, too, could help overcome this skepticism if Conservatives were prepared to question intelligently and offer honest, identifiable alternative approaches to issues which concern the average Canadian.

In short, Canadians want an end to cynicism. They don't expect magic but they do want action. They are tired of phony debate on constitutional crises created whenever the Liberals find themselves in political difficulty. They want our constitution brought home to Canada where it can quickly be brought up to date so that the whole country can deal with more pressing issues.

• (1640)

Canadians are tired—and I say this with emphasis—of the bungling on bilingualism. They are prepared to build a bilingual Canada, but both French and English speaking Canadians want fair programs that are explained to them. They are tired of being lectured at and resent being told that every criticism of the present program is a challenge to the very principle of bilingualism. They are tired, in short, of that phony argument.

Working Canadians are tired of government inaction on industrial and environmental health and safety problems. They know what and where the hazards to health and safety are. They know precisely the corporations that are causing these problems and what immediate, straightforward, practical steps would have to be taken to clear them up.

The miners whom I talked to not long ago at Elliot Lake know just what dangers they face from lung cancer, from white-hand or silicosis. They know that unless ventilation is improved when production is expanded conditions will be as hazardous as before. They know it is critically dangerous not to wear uncomfortable and inefficient masks—something as mundane but as serious as that. What they want to know is why the federal government, which has responsibility for uranium development, does not share the responsibility of paying for the research needed to eliminate the long-term effects of mine-related diseases. Why, they ask, has the federal government failed even to help develop a safe mask which the private sector refuses to produce for its workers in the mines?

Canadians also want to know why regulations governing leeching from radioactive tailings threaten their drinking water at home and have made unsafe the water that the local Indian band in the neighbourhood has to drink. The Cree of Cross Lake, whom I visited this fall in Manitoba, want to know why it took six years to get federal action in obtaining safe drinking water.

I was shocked and moved, Mr. Speaker, when I discovered in September that in August of 1976—I repeat, August of 1976—92 Indian kids had been seriously affected with diarrhoea and gastroenteritis and nothing had been done. I am pleased to report that at least the new Minister of Indian Affairs and Northern Development (Mr. Allmand) promptly initiated corrective action when I drew his attention to the problem, but surely, Mr. Speaker, his department and his predecessors stand condemned for decades of past inaction toward our native people.

Some hon. Members: Hear, hear!

Mr. Broadbent: The question remains, Mr. Speaker, on how many other reserves in Canada has this deplorable circumstance existed? How many of the deaths of young Indians, to put it as bluntly as that, whose life expectancy is the lowest in the country and whose infant mortality is the highest in the country, have been due to the indifference of government officials, and more important, to the indifference of the government in dealing with something as mundane but as serious as pure water for people on the reserves? Throughout Canada, but particularly in the north, the federal government must have priorities which ensure that every Canadian is guaranteed straightforward, practical necessities—safe drinking water and good sanitary conditions. These are still being neglected.

Canadians are tired of the old cartel dictating exploration and pricing policies for oil and gas. They are tired of a federal government that is incapable of preparing a competent energy policy for the whole country. In addition to rigorous and vigorously pursued conservation policies, Canadians, as every public opinion survey indicates, want oil and gas production that is owned, controlled, and operated as a public utility by Canadians. They want neutral, unbiased agencies reviewing and regulating energy producers so that future employment and industrial development are adequately maintained at a price that Canada can afford. Our people want an end to policies that allow the price of a barrel of oil to be tripled in three years, only to find the oil cartel pleading poverty still for future exploration and the energy minister agreeing that the price might have to go even higher to provide even more incentive for even more exploration.

Atlantic Canadians, and I think particularly of Canadians in the provinces of Nova Scotia and Prince Edward Island who for years have been ignored by the absence of an effective regional development program, want to know why they must suffer again disproportionately in this energy crisis.

When one talks of mining and exploration for petroleum, one is immediately reminded of Canada's grossly inequitable taxation system. Here more than anywhere else in federal policy do we find our people calling for serious reform. The average working Canadian family is overtaxed or taxed unfairly, and wants relief. They do not want to avoid their burden but they do want a fair burden. They know that corporations do not pay their fair share of the tax bill. They know, for example, that in 1970 corporations paid a higher proportion of federal taxes than they do today in 1976, after so many years of so-called progressive government.

Most taxpayers recall with dismay the fact that our former leader, David Lewis, revealed in the 1972 election campaign that corporations had amassed tax deferrals of some $4.8 billion that they would never have to repay. They would be shocked to learn that the amount that these same corporations have deferred today has climbed to nearly $10 billion.

Some hon. Members: Shame!

[Mr. Broadbent.]

Mr. Broadbent: The important thing to remember here is that these are interest free loans to corporations that no Canadian, if he wants to buy a house, can get from his government. But a corporation with its connections with the Liberal party can get billions of dollars in deferred taxes. My party described that situation in 1972 as a corporate rip-off. It remains unchanged. In 1976 it remains a corporate rip-off.

However, Mr. Speaker, the government, with the active encouragement of the Conservatives, has solved the problem for at least one group of taxpayers. It has created a whole new batch of personal tax gimmicks so that the wealthy at least can enjoy their own private rip-off. The Government calls the corporate tax dodges investment incentives. The personal tax dodges are called, both by the government and by the official opposition, saving incentives. Technically every Canadian is eligible for these new tax dodges. In reality only the well-off can afford to take advantage of registered retirement savings plans, registered home ownership plans, dividend tax credits, $1,000 interest income deductions, or half tax rates on capital gains.

The unfair distortion created by these so-called incentives comes very clearly into focus when Revenue Canada can report in 1974 that 252 people who made more than $50,000 paid no income taxes at all. Under this government's tax proposals, many of which were first suggested by the official opposition, there were 252 people earning more than $50,000 a year who paid not one cent in income tax. In 1973 the number was 156, and in 1972 the number was 92. The point I am making is that the situation has been getting regressively worse numerically.

● (1650)

What was the average income of this poor group that paid no taxes? The average income was $92,000 a year. That was the average of those who paid no taxes. Had they paid taxes at the rate of 40 per cent the federal treasury would have been richer by $10 million, and something useful might have been done with that money. The precise point is that this money could have been used in the way of equity to reduce the burden on the other people. Instead, because we have this kind of loophole for the rich, every other Canadian has had to subsidize these 252.

Let me stress that the money involved would not amount to very much of a savings for the other taxpayers. I think it works out to about $1 each, but that is not the point. The issue is one of fairness in the tax system. We do not have a fair tax system when Canadians earning $92,000 a year pay no taxes at all while other men and women whose family incomes are at the poverty level have to pay taxes. That is the situation we have under this Liberal government. Taxes were not even mentioned in yesterday's throne speech.

Let me now return to the redistribution of income, and I was astounded to read one argument. It was absurdly stated that the redistribution of income has been "obstructed by inflation". I was further astounded by the statement that "to support private industry in meeting greater international com-

the wage settlements for unorganized workers are substantially below those of the wage settlements for the organized workers and that the vast majority of the unorganized are doing very badly indeed.

In fact according to the calculations—and I would invite the government to provide other data if it has it—it appears that the unorganized working force in Canada has increased its wages and salaries for this year by only 7 per cent. The Prime Minister has not told the unorganized workers that. I would like him to go around the country and speak to the employees of Eaton's and Simpsons, and talk to the cab drivers and unorganized workers in the Ottawa-Carleton area and tell them that their increases are progressing only in the range of 7 per cent.

Mr. Trudeau: What was the figure for last year?

Mr. Broadbent: I do not have the figure, but I would be happy to discuss the point if we had last year's figure. The point, in response to the Prime Miister's interjection, is that the 7 per cent increase does not enable the unorganized majority to cope with the current level of inflation and it is deceptive to imply to the people of Canada that this program is working for the unorganized people when it is precisely that group for whom it is not working. Price increases remain uncontrolled—

Mr. Trudeau: Mr. Speaker, may I ask a question on the subject?

Mr. Broadbent: Yes.

Mr. Trudeau: Mr. Speaker, I think the statistic mentioned is a relevant figure. I simply ask the hon. member if he would get the figure for last year. I think the question is relevant, because of course if their increase has been 7 per cent, I believe in money terms and not real terms, then I would point out to him that during the last year the cost of living has gone up by only 6.5 per cent and therefore they are better off than they were when the cost of living was going up by 10 per cent or 12 per cent, assuming the 7 per cent figure is the same this year as last year.

Mr. Broadbent: The Prime Minister is right. Of course they are better off. They are better off by .5 per cent. All I can say is that that is slim pickings for Canada's poor. The point obviously is that if the government had been concerned about that precise group, the unorganized workers, it could have done what the labour party did in Great Britain when it brought in a very different kind of controls program and made certain levels of increases mandatory for the poor people. That was precisely what the Liberals left out in this country.

I do not care what the Prime Minister or other officials say, price increases in this country remain essentially and virtually uncontrolled. Despite spending $1 million in taxes on a misleading advertising campaign, the controls program has not been the cause of the reduction in the rate of increase in the consumer price index. The government claims credit for the weather which has resulted in better crops and lower international food prices. At home meat prices in particular have fallen at the farm gate. Yes, indeed, some of those declines in food prices at the farm gate have been passed on, but I repeat that food prices are virtually uncontrolled, and the main reason we are receiving benefits now as consumers of food is the work done by the Canadian farmers at home and by other farmers abroad, and not the controls program. When you subtract the food component from the consumer price index, what do we find? We find that we have an actual rate of inflation of about 9.3 per cent and that we have a rate of inflation still in housing in the neighbourhood of 13.5 per cent.

Earlier today the Prime Minister had questions concerning where we stood in respect of profits. I reply to the Prime Minister that of course we support the notion that if we have a private sector there will be profits. That was not the argument. The argument I made outside the House in speeches to which he was alluding is that if you are to control profits at all then you set the same kind of restrictions and limitations on them that you set on the ordinary wage and salary earnings, and if you have a $2,400 ceiling, or a 2 per cent maximum on productivity gains for workers, why in heavens name do we not have the same kind of ceiling on profits for the corporate sector? That is the argument.

In the list of speeches I made prior to the opening of the House I provided the names of all kinds of corporations, somewhere between 55 and 60, whose profits are up 25 per cent over last year, 50 per cent, 75 per cent, and indeed over 100 per cent. I referred to these cases, and not one fact has been challenged. I wish publicly to give credit to the research group of the New Democratic Party which did the work on that project. I want to say to the Prime Minister that it is a very unfair program when Simpsons-Sears can increase its profits in that kind of range, or when Canadian Tire can go up 25 per cent or 30 per cent, whatever the figure is.

The argument has been made that their sales have been increasing. I think the Prime Minister asked this afternoon whether that does not entail their right to have more profits. I say that our version of a just controls program is that it does not entail that right; that if their sales are increasing in such a way that their profits are going up 25 per cent, 50 per cent or 80 per cent, then instead of having a system which permits them to go up we should have a system which compels them to reduce their prices and pass on the benefits to the consumers. That is what the program should be all about.

I want to conclude my remarks by saying that the controls program that has been brought in—and we said this all along, not in some empty-handed kind of way which made no distinction at all about the right of corporations to have profits, which of course they must have—is unfair to working Canadians. The evidence supports this because their wages and salaries have been held down while at the same time profits have not been held in check in the private sector.

To speak of a third element in the population, we have the executive salaries which have been permitted to go up because of stock options and because of income received from dividends in an unchecked way. Also there is the situation in

petition, the government will modify substantial industrial assistance programs". This boggles the mind. Here we have a government controlling wages of workers; a government which has failed even to begin the redistribution of income in this country; a government which says it will practise restraint, yet a government that is going to increase substantially once again give-away programs to private industry.

What Canadians want to know is how much we have to pay in taxes to keep enterprise free and initiative stimulated. They are sick of paying unfair taxes. A few years ago we were told we needed all these tax write-offs, tax deferrals, and industrial assistance programs to create jobs. Today we have more unemployed Canadians than at any other time in modern history. Even a finance department study, and I emphasize that, which was agreed to under conditions of a minority government, and which reported back a couple of years ago, concluded that these give-aways amounting to billions of dollars each year to the corporations were simply not working and not achieving the numbers of jobs they were designed to create. Yet we still have the same programs on the books, and in the throne speech we were informed that they are to be made even more bountiful for the corporations, and this is at a time, as I say, when those at the poverty level continue to pay taxes, and at a time when individuals earning $92,000 a year pay no taxes. This boggles the mind, particularly when we have this new kind of commitment to corporate give-aways.

At the same time the government is callously cutting off the unemployed from the benefits they need because the jobs we paid for in our tax system last year have not been created. The more than 700,000 Canadians listed as unemployed want work, not handouts. There is a phrase almost like that in the throne speech, but the phrase is not followed up by any commitment to action.

This government simply tinkers with unemployment programs that do little more than extend inefficient and inadequate existing programs. The money the government will spend is the money it will have saved by cutting off the benefits of those already without jobs. That is remarkable logic. You take away from the poor and unemployed and use that same money to provide them with benefits. Instead of going to those who are more adequately situated financially, and instead of doing some serious economic planning involving the private sector, the government takes the money from the poor to provide for the poor. This is the worst kind of political cynicism.

The people of Canada want a government commitment to full employment policies, and policies that will result in at least $7 billion in additional national production, which is currently being lost as a result of current levels of unemployment.

The people want a commitment to housing policies which hold out hope for reasonable rental accommodation and reasonable home ownership costs. We want an end to mortgage rates of 11.75 per cent. A direct solution simply involves direct and tough action with our financial institutions. We want people in Toronto and other cities to be able to look at houses which cost less than $68,776. We want them to be able to look at row condominiums which cost less than $50,204, which is the typical price, and at a cost less than $41,175, the current price of an apartment condominium in Toronto.

A person of no less significance in government bureaucracy than the director of the Central Mortgage and Housing Corporation said not long ago that the major cause of high housing prices is unconscionable land profits. Canadians want an end to unconscionable land profits. They want an end to speculation in land. Not only do they want an end to speculation in land for housing purposes, they want an end to speculation in arable land suitable for agricultural purposes, particularly because of what has resulted in virtually every province, namely, the loss of arable land.

The people of Canada want a national land policy, the purpose of which is to provide land in appropriate areas for housing, and to preserve the land that is rich for agricultural purposes. We are getting neither of these results from the government's policies. Our people want federal policies which will protect land from all kinds of speculation, both for housing and agricultural purposes.

I have listed this afternoon some real problems for which there are immediately available honest and direct courses of action. The solutions I have suggested in respect of those problems are ones that do not require magic. Nor do they require a commitment from politicians that once these solutions are brought forward all the problems will disappear. In terms of the solutions I have proposed, these are things that will work and will bring a degree of decency to the lives of ordinary people. These are precisely the kinds of detailed proposals that have been absent from the government's policies, absent from the throne speech, and totally absent in the opportunism of the Official Opposition.

Before I conclude my remarks I want to say that many of the positive proposals I have made today would, I believe, make our country a more just and equitable place in which to live. Coincidentally, my party also believes that many of these policies would do more to fight inflation than that unfair, unworkable controls program the Prime Minister inflicted upon us last Thanksgiving day.

● (1700)

The government's controls program has been effective only in restricting the wages of working Canadians. Once again the government has not stressed the situation in respect of the unorganized working Canadians.

I was amused to note that the Prime Minister when he was in New Brunswick, when he undid his shirt, loosened his tie and once again spoke directly to the working people—and we will all recall the statement if we were watching television or were there in person, as I remember it vividly—saying that the big unions have not liked the controls program and the corporations have not liked the program but that the government brought it in for ordinary Canadians. What the Prime Minister did not include in his remarks—at least they were not recorded, and perhaps he will correct me if he did—was that

I say that the government is guilty of legalized frauds against thousands of unemployed who did indeed pay their unemployment insurance premiums because the government even ordered them taken off their gross salaries.

After that monumental blow the minister will tell the papers that unemployment is declining when it is the payroll that was cut by the subterfuges that we all know, either the recipient losing his right to benefits for all sorts of equally insignificant reasons or still because he did not answer at the set time and date a questionnaire he often received too late because of the bad postal service or because that form did not get to the office in time at the date and time set by the civil servant, and I am talking here about that famous rule of four consecutive weeks without pay.

Mr. Speaker, if under that rule a recipient does not receive any payments during four weeks he automatically loses his right to all those benefits and he must again work eight weeks to regain that right. That is the most nonsensical rule that has been found to date.

There was not much willingness in the Speech from the Throne to talk about the famous Anti-Inflation Act whose sole purpose has been to freeze workers' salaries since it was never used indeed to control prices and incomes of multinationals or Crown corporations no matter what one might say. Those big companies were allowed fantastic revenues of 30, 40 and even 50 per cent without a word being said. Increases exceeding the limits set in the Anti-Inflation Act were tolerated and even authorized, even for government corporations. Take postage stamps that were just increased to 10 cents and I could name thousands of multinational companies, private companies, or Crown corporations.

The government says that inflation lost ground under its Anti-Inflation Act and people know from experience that it is because the worker is losing an increasing part of his purchasing power because of the low basic exemption. It is as a result of the low basic exemption in Canada that 75 per cent of wage increases automatically return to treasury coffers. For years the government has been urged to double at least the basic exemption which would give those who earn salaries just above the average a chance to make it uphill. But no, that famous basic exemption is still maintained. Indeed, the right hon. Prime Minister is beginning to realize it because he is considering reexamining that act. I wish it will serve for once to really freeze prices and incomes, not only salaries, and especially reduce the interests of banks which are 90 per cent responsible for inflation and financial monopolies.

● (1720)

We dare not mention control over bank interests and monopolies, as it has been completely removed. Yet it is a major cause of inflation but we keep our hands off this dangerous topic. Nevertheless I am convinced this government will not do anything about it in spite of the review which is about to be undertaken on the Bank Act as this government is the mere lackey of those agencies which affect the daily lives of the Canadian people.

[Mr. Gauthier (Roberval).]

The government intends to amend the National Transportation Act. Let us hope it will deal with passenger service so that the taxpayers who make up for the deficit of the Canadian National will be able to enjoy improved services. But I would like primarily to draw the attention of the House to an issue which is not mentioned in the Speech from the Throne, namely a better farm policy. In spite of all the hardships milk producers have suffered, the government has no suggestion to present to dairy farmers who are all, without exception, on the verge of bankruptcy.

Mr. Speaker, this is the worst blow in the speech. While all milk producers were expecting the announcement of a milk policy which would correct the errors of the Minister of Agriculture (Mr. Whelan), the subject is not even mentioned. In order to remedy the lack of commercial directions from the Minister of Agriculture, all producer quotas have been reduced, and this exactly one year after dairy farmers had been asked to make an effort to produce more.

Today the same producers are penalized because they simply listened to the department one year ago. More than this, Mr. Speaker, this government, in connivance with the provinces, paid and gave grants to have our cheese processing plants closed and to favour the production of milk powder. Today we face a surplus of milk powder whereas the few remaining private cheese processing plants do not have enough milk. Our cheese processing plants do not have enough milk. Do you see the ridicule in this situation, Mr. Speaker?

While producers who have exceeded their quota reduced by the department are being penalized, while the surplus production is being seized at the rate of $10,000, $15,000 and $20,000, our cheese makers do not have enough milk to meet the market demand! Someone might say it is not true. I would forgive him, because it is unbelievable!

During the summer holiday, I went to see two owners of independent cheese factories in my riding and they have assured me that while they had orders to impose a fine on surplus production and send this money to the Federation of Industrial Milk Producers, they had not enough milk to meet their sales contracts. It is unbelievable!

Indeed, it is unbelievable, but these are facts I have been able to ascertain from two independent producers, while the only cheese co-operative that has survived the powdered milk storm cannot produce more for want of foresight on the part of the responsible people in the department.

Millions of dollars have been expended for building up stocks of powdered milk while cheese production has been abandoned.

● (1730)

So much so that during these years a cheese factory counting three generations of owners was denied grants which had indeed been accepted in principle in Ottawa, and I pleaded the case myself. But after the departure of the only civil servant qualified to plead for the independent cheese producers, that producer could never get a single penny from the federal government.

respect of doctors and lawyers. We have produced figures to show that their average income will be more than double the $2,400 ceiling placed on the organized workers. Because of these kinds of injustices the New Democratic Party, from day one last year when we saw the implications of the program up to today in the House of Commons, remains 100 per cent opposed to this kind of program. Before we can go on as a government—and I have made some suggestions to the government—and before we give some attention in a serious way to the implementation of some of the positive programs, we must get this abomination known as a controls program out of the way.

Therefore I want to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), that the amendment be amended by inserting therein immediately after the words "the people of Canada", the following words:

● (1710)

We also affirm that the failure of the government to end the wage and price control program immediately, in light of the obvious inequities of the program, including the practice of limiting the wages of ordinary workers while leaving profits and prices virtually unchecked, is contrary to the expressed wishes of most Canadians.

Mr. Speaker: An amendment to the motion of the hon. member for Restigouche (Mr. Harquail) has been moved by the Leader of the Opposition (Mr. Clark) and seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner). Now an amendment is moved to that amendment in the motion put forward by the hon. member for Oshawa-Whitby (Mr. Broadbent) seconded by the hon. member for Winnipeg North Centre (Mr. Knowles).

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, first let me pay tribute to His Excellency the Governor General of Canada and to his charming wife. I also want to congratulate them for the dignity with which they perform their duties as first couple of Canada.

I also wish to thank the Leader of the Official Opposition for the nice words he had for our leader now in hospital. After seeing him yesterday, I can tell you that he is well for the moment. He asked me to be his spokesman in the analysis of the Speech from the Throne, and I am very proud of it.

Mr. Speaker, again and again I read the Speech from the Throne after it was delivered by the Governor General of Canada in order to detect some indications of the present government's policy. The result is a most complete obscurity. But I realized that the public servants who drafted this literary work are specialized in camouflage.

In summary, they suceeded in dealing with everything and nothing. Nevertheless, parliamentarians and the public are still expecting more precise data on the government's intentions at the beginning of this new session but every time I hear such a speech, I am always disappointed. I finally wonder whether it would not be more serious to simply eliminate the Speech from the Throne.

I wish to congratulate the movers for their speeches and for their endeavour to give an appearance of seriousness to such a lot of hot air.

I know that theirs was a difficult task, but someone had to make a sacrifice and therefore, scapegoats were used. I must admit that there certainly are some serious and positive aspects in this speech, even though they are greatly overshadowed by the negative aspects. The only positive points are those where the government offers to help provinces in areas within their own jurisdiction.

Mr. Speaker, I am always surprised to hear of federal-provincial agreements in areas which concern only provinces. Would it not be more logical, to preserve the autonomy of the said provinces, if they were given fiscal rights tailored to their responsibilities. I find it simply ridiculous to always tell the provinces what they must do, what they need, as if provincial administrators were not just as able as those of the federal government to see to their own business. The federal government interferes in all provincial areas by pretending to help the provinces, which results in this eternal federal-provincial disagreement which will stop only when the central government no longer plays at being the great protector and minds its own business, and to do this, of course, the federal government will have to give to the provinces the fiscal powers required for their own administration. But the government would not miss such a great opportunity for maintaining the status quo and these mixed responsibilites, which aim only at confusing even more the population, at mixing everything up, so that the people and even the members of parliament can no longer distinguish what is federal and what is provincial, and I believe that this is the aim of the present government.

In the Speech from the Throne, the government talks about the independence of the country. This is great, but it is forgetting that the country is made up of provinces and that each one must feel free and independent within its own provincial jurisdiction for the country to be one day truly independent. A society will never be independent and free if its citizens are shackled. The same is true of the provinces which are the economic prisoners of the central government. That is why, whenever the right hon. Prime Minister (Mr. Trudeau) talks about Canada's independence, the words do not sound right anywhere in Canada.

The Speech from the Throne states again that Parliament will be called upon to amend the Unemployment Isurance Act. If the government wants to increase the premiums Canadian workers have to pay, while resorting to all manners of subterfuge to give claimants as little money as possible, I state right away that I am against it. If the purpose of this new legislation is to allow the minister to establish regulations to counteract the effects of the act, I am also against it. As a matter of fact, the book which contains the regulations established since the Unemployment Insurance Act came into force is three times as big as the act itself, and the sale purpose of these regulations is to exclude as many unemployed people as possible from the list of beneficiaries.

Today they would like the cheese production to double; unfortunately, Mr. Speaker, we are sorry but it is too late. We have destroyed everything and we will have to start from scratch. All cheese factories were closed, and those responsible for that state of affairs are the ones who were wishing for a monopoly. I heard them: they were hoping for a monopoly in the region with no competition, and that is why we now have to import from 5 to 10 million pounds of cheese every year.

I heard those so-called co-operators cry out before their members: "Cheese factories have to disappear, we have to break down competition to achieve absolute control".

To that I replied that if competition is done away with, 50 per cent of our producing province is killed. I have always maintained that even cooperatives must learn to live with competition. It is even good for them! The Speech from the Throne confirms what I advocated some ten years ago. I quote:

> Significant revisions to laws promoting competition in the marketplace will be placed before you. The Government is determined to preserve and enhance Canada's traditional policy of reliance on individual enterprise as the mainspring of economic activity.

And further on:

> The more effectively competition governs the marketplace, the less necessity there will be for control of the economy by governments.

And we have proof that the contrary also is true: the less competition there is, the more governments have to intervene, to bring monopolies to heel, to control multinationals.

The logical solution? The government must encourage and support private enterprise, if it wants an active economy. I ask the government to quit talking and act. To my mind, Mr. Speaker, more than ever the time has come for action, and I trust this session will be that of private enterprise.

[*English*]

Mr. Speaker: Order, please. A few minutes ago before the speech of the hon. member for Roberval (Mr. Gauthier) I put in general terms the amendment to the amendment moved by the hon. member for Oshawa-Whitby (Mr. Broadbent) and seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), and that is the amendment which continues to be under consideration by the House. I did not put it in specific language at that moment because I wanted to absorb the effect of the text on the amendment and to read it as one paragraph with the amendment.

The motion that is before the House at the present time is that moved by the hon. member for Oshawa-Whitby and seconded by the hon. member for Winnipeg North Centre, as follows:

> That the amendment be amended by inserting therein, immediately after the words "the people of Canada", the following words:
>
> "We also affirm that the failure of the government to end the wage and price control program immediately, in light of the obvious inequities of the program including the practice of limiting the wages of ordinary workers while leaving profits and prices virtually unchecked, is contrary to the expressed wishes of most Canadians".

So the text which it would be proposed be added to the address by the amendment moved by the Leader of the Opposition (Mr. Clark) and seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner) would be a composite text as follows:

> We respectfully affirm to Your Excellency that the Speech from the Throne is a further example of the opportunism which has cost the present administration its credibility among the people of Canada; we also affirm that the failure of the government to end the wage and price control program immediately, in light of the obvious inequities of the program, including the practice of limiting the wages of ordinary workers while leaving profits and prices virtually unchecked, is contrary to the expressed wishes of most Canadians and that your ministers no longer enjoy the confidence of this House.

Order, please. I take it there has been some discussion and agreement in keeping with the ordinary practice that this day be kept for the leaders of each party. The leaders or their nominees having spoken, at this point it is in order that I see the clock at six o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being six o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 5.36 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 14, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

PROPOSED ACTION AGAINST PARTICIPANTS IN OCTOBER 14TH DAY OF PROTEST—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. Today, October 14, is a sad day for democracy. In the continuing struggle for power by the minority of the labour force under the influence of a few union leaders—

Mr. Speaker: Order, please. I think I should once again caution hon. members about getting into preambles that constitute subjects of debate. A preamble to a motion pursuant to Standing Order 43 ought to be only sufficient, I would think, to establish the urgent nature of the matter, and not to get into argument.

Mr. Jelinek: Mr. Speaker, in view of the fact that this day of protest by the Canadian Labour Congress is in fact deemed to be a general strike by a minority, illegal in many parts of the nation, and damaging not only to our economy but to the very essence of our democratic way of life, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That the government take all necessary and appropriate disciplinary action against the instigators of this general strike, in particular Joe Morris, president of the CLC, and other top union officials.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION PROGRAM

SUGGESTED AMENDMENT OR ABOLITION OF PROGRAM—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this being labour's day of legitimate protest, I ask leave under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. I therefore move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urges the government to take immediate steps either to amend the controls program by providing effective checks on prices and profits or to abolish the program forthwith.

Mr. Speaker: Order, please. Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

SUGGESTED REPLACEMENT OF PROGRAM WITH AN INCOMES PROGRAM—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a similar motion. In view of the fact that the Anti-Inflation Board purports to restrict professional incomes and has failed to do so, with medical incomes increasing at a rate double that provided under the AIB, and incomes of the legal profession increasing similarly, and in view of the fact that 35 per cent of professional service firms have failed to report under the requirements of the AIB, I would move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this controls program be abandoned in view of its patent unfairness and that such program be replaced by a meaningful incomes program which allows inflation fighting to be done by the rich as well as the poor.

Mr. Speaker: Order, please. Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. Before receiving any further motion pursuant to Standing Order 43, I think I ought to indicate to the House that members might be reminded to examine the subject matter that is now being debated in the House. The motions that have so far been presented pursuant to Standing Order 43 would obviously be quite germane to the motion, and quite debatable pursuant to the terms of the amendment and sub-amendment now being considered by the House during the throne speech debate. I wonder if it is not simply a fiction to ask the House to set aside one motion under which these matters could be debated for the purpose of debating another one which is very similar in terms.

[*Translation*]

MANPOWER

REQUEST FOR ADDITIONAL FUNDS FOR LOCAL INITIATIVES PROGRAM—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask for the unanimous consent of the House to introduce a motion on a matter of urgent and pressing necessity.

In view of the fact that there is apparently no reduction in unemployment, that the Canadian people has gained confidence in the LIP program for the creation of jobs and the eradication of unemployment and owing to the considerable number of serious projects suggested under the program for 1976-77, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House advise the government to earmark supplementary estimates for this program, immediately increasing the estimates of the Department of Manpower for that item.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

● (1110)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

LEGALITY OF OCTOBER 14TH DAY OF PROTEST—REASON FOR DELAY IN COMING TO A DECISION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in the absence today of the Minister of Labour I wonder if I could direct my question to the Prime Minister. In view of the fact that yesterday the Minister of Labour refused to say whether the government views the national strike as legal but went on to say by implication that it would be illegal unless the protest took place at lunch hour or off-working hours, and in view of conflicting decisions yesterday in different provinces which resulted in the strike being legal in British Columbia and not in Ontario, and given the well publicized fact that working people and others have been concerned about whether illegal action was appropriate in our democratic system, can the Prime Minister now advise whether he or his ministers or any of them ever asked for and obtained legal advice indicating that this strike would be legal in some provinces and not legal in others.

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): Surely, Mr. Speaker, it is not for the Government of Canada to decide what is legal or not in particular provinces from the point of view of provincial law and collective agreements under provincial labour legislation. The federal position as stated by the minister, which is quite clear, is that if the protest does not involve illegal actions then the Minister of Labour said he could understand the right of individuals or associations to protest policies that they disagreed with by protesting in a legal way; in other words, if they protest by demonstrating during their lunch hour or after their hours of work. If on the contrary they are breaking a contract, then of course it becomes illegal and the Government of Canada cannot condone it; on the contrary we condemn it.

Some hon. Members: Hear, hear!

Mr. Fraser: It is all very well for government members to applaud, Mr. Speaker, but the question is one which all the public is asking. It seems very strange—

Mr. Speaker: Order, please. If the hon. member has a supplementary question would he put it forthwith?

Mr. Fraser: Can the Prime Minister then tell this House, in view of the fact that for many months the government has known that the CLC was armed with the authority given it at the May convention to call for a national strike, despite the fact that members of the government did not feel it would take place, why there has been no direction from his Minister of Labour or from the government in general as to what the parameters of this particular form of protest ought to be in order to keep it legal, keeping in mind as the government well knows that this strike would be breaking a great many contracts which were not within federal jurisdiction, and especially in view of the fact that the Minister of Labour has confused the public even more by hoping that the strike would be a success.

Mr. Trudeau: Mr. Speaker, I think the hon. member must have missed what the Minister of Labour said yesterday. He said quite clearly, as I understood him—and he said this outside the House also—that he could not condone illegal action but there was a way of protesting which was perfectly legal. The hon. member knows this. That is the position of the government. If under federal labour legislation there are any illegal acts we will condemn them, and we reserve the right to act in whatever way is appropriate to correct that situation. That is the federal responsibility and a responsibility which we hope the House supports. But we cannot say what position the provinces will take within areas in their own jurisdiction under laws they have passed. I could give the hon. member an opinion. I suppose it would be much the same as that of the federal government. If provincial labour laws are broken and something illegal is done, then I hope those concerned will be condemned in those particular provinces.

Mr. Fraser: The question, Mr. Speaker, is simply this: can the Prime Minister explain why there has been no leadership

whatsoever concerning the legality of this strike for the many months that the Canadian public has been looking at the issue and asking itself whether or not it would be breaking the law and whether or not that was appropriate. Where has been the leadership from the federal government?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I might answer the question.

Mr. Fraser: If I can ask the question of the minister, certainly he can answer it.

Mr. Munro (Hamilton East): I do not know where the hon. member for Vancouver South, or whatever his riding is—

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): —I do not know where he has been.

Mr. Fraser: I have been talking to the people. Where have you been?

Mr. Munro (Hamilton East): I do not know where he has been in the last two or three months. It has been clearly stated by myself and others time and time again that if it should be perceived, as a result of actions on the day of protest, that collective agreements in the public sector are broken, then sanctions can apply and there would be a breach of collective agreements. My colleague, the former President of the Treasury Board, has said the same thing on many occasions. That is the situation. In the private sector, under provincial jurisdiction, in many cases the option is open to employers to take what remedies they wish to take, if indeed they wish to take them. Would the hon. member propose we suggest something that is not right or incorrect? I trust the hon. member is not doing that—at least I give him that much credit.

Mr. Fraser: First of all, may I say—

Mr. Speaker: Order, please.

Mr. Fraser: How many ministers, along with the Prime Minister, are going to be allowed to get in on questions if the opposition cannot come back and ask them other questions?

Some hon. Members: Hear, hear!

Mr. Fraser: They are as confused as the public, and that is the reason the public is so confused.

Mr. Speaker: I was not denying the hon. member for Vancouver South the floor to put a supplementary question, as is often the case in leading off on behalf of the official opposition, if that is why he is seeking the floor. If not, I will recognize the hon. member for York-Simcoe.

Mr. Fraser: Thank you, Mr. Speaker. May I say that when the Minister of Labour asks where I have been, I can tell him I have been talking to the people and it is obvious that he has not.

The question I want to ask of the Minister of Labour is this: What kind of leadership is it when you know there is a strike against a federal law, you know it will involve all kinds of people who are not under federal jurisdiction, and during all these months the government gives no direction to anyone regarding the conditions under which the strike would be legal or illegal? Why did you not take advice on this and why did you not say something?

Mr. Munro (Hamilton East): The more the hon. member talks, the more ludicrous he sounds.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): If he is implying that union leaders in this country are so stupid they do not know what is legal or illegal, that is a responsibility he can take. I have made it clear that if there are breaches of collective agreements in the public sector, then sanctions and penalties can apply.

Mr. Fraser: What about British Columbia?

Mr. Munro (Hamilton East): The hon. member says, "what about British Columbia?" That is why I suggested that I did not know where he had been. I was out in Vancouver about two weeks ago and I made it perfectly plain at that time. I did not notice the hon. member complaining about lack of leadership at that time.

Some hon. Members: Hear, hear!

Mr. Fraser: The minister did not say at that time that the strike would be legal in British Columbia and illegal in Ontario.

* * *

ANTI-INFLATION PROGRAM

REQUEST FOR TABLING OF BACKGROUND PAPERS ON WHICH DECISION TO CONTINUE PROGRAM MAY BE BASED

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, may I direct a question to the Minister of Finance. As the protest day is obviously designed in the hope that the government will terminate the wage and price control program at the earliest opportunity, I would like to ask the Minister of Finance, further to my question yesterday, whether he would lay before the House his analysis or other documentation which he plans to put to the provinces when he requests an extension of the present agreements with those provinces with respect to the wage and price control program. Will he lay that before the House immediately so that the provinces and ourselves can have a fair chance to review this documentation. Second, do we take from his answer yesterday that he is going to request a two year extension from the provinces?

• (1120)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I pointed out to the hon. gentleman yesterday that the present agreements with the provinces run until April of 1977, which is nearly six months away, and that at the beginning of 1977, in the first months of that year, it obviously will be important, both for the purpose of debate in this House and for the purpose of discussions with the provinces, to talk about the progress of the anti-inflation program at that point and the considerations we would have in mind with respect to extension of those particular agreements. It seems to me to be a lot more sensible to talk to them about the impact of the program as it will have been experienced up to early 1977 on the then current facts rather than setting out the analysis now and talking about that in six months time.

So it is for that reason I pointed out to the hon. gentleman that the discussions will commence early next year. They should be carried on on the basis of the experience up until that time. Of course, the period of extension would be confined by the period of time which has been authorized by this parliament, which at the present date is for another two years.

GOVERNMENT COURSE OF ACTION IN DISCUSSIONS WITH PROVINCES ON EXTENSION OF PROGRAM

Mr. Sinclair Stevens (York-Simcoe): I wonder if I may put another question to the Minister of Finance with regard to his last answer. Assuming that in his discussions with the provinces such matters as compensation levels, productivity and profit will be dealt with, would the minister indicate if it is the intention of the government actually to put its position before this House and the provinces, or is it simply going to go into some kind of random discourse, asking others for their views as to what should be included in the agreement? Will the minister state a firm government position, for example, on the questions of profits, productivity and compensation levels?

Hon. Donald S. Macdonald (Minister of Finance): Naturally, Mr. Speaker.

An hon. Member: What would you expect?

BASIS ON WHICH GOVERNMENT JUSTIFIES PROGRAM

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I would like to put my final supplementary to the Prime Minister. In his random remarks yesterday and in his rationalization of the anti-inflation program he spent some time trying to justify the program on the basis that in his view the CPI had gone down, and that it was not only because of the farm gate prices having declined substantially. Is the Prime Minister aware that the chief factor causing food prices in this country to go down is that the beef farmers have literally been murdered by the price of their product going down 20 per cent in the past year, and is this the only way the government feels it can justify its anti-inflation program?

[Mr. Stevens.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that the hon. member is making a representation, not asking a question.

* * *

THE CANADIAN ECONOMY

AMOUNT OF WAGE INCREASE FOR UNORGANIZED WORKERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance arising out of some of the statements made by the Prime Minister yesterday. I should like to ask the minister whether studies have been made by his department or any other government department or agency to ascertain whether the more than 60 per cent of the labour force which is still unorganized in this country has received wage or salary increases in the past year, and if such studies have been made, can he indicate whether the information shows the size of these increases and whether they were above or below the increase in the cost of living in the past year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, with regard to those under the anti-inflation program the Anti-Inflation Board has been analyzing the rate of increases, and indeed, in its report, which will be made available to the House within a matter of weeks, I expect that the board will probably have something to say about that.

With respect to a more extensive analysis of labour groups which are not covered by the mandatory controls, I would have to say that the board obviously has not. I do not know whether my colleague the Minister of Labour could advise in this regard as to whether his department, in its general survey of labour income, could respond to the question put by the hon. gentleman.

POSSIBILITY PERMISSIBLE MINIMUM WAGE INCREASE MADE MANDATORY

Mr. David Orlikow (Winnipeg North): Many of the people who are not organized work for small employers who are not covered by the regulations of the Anti-Inflation Board. In view of the feelings of many people that the anti-inflation program is not being applied fairly, is the government giving consideration to making the minimum increase of $600 a year, which is permitted under the anti-inflation legislation, mandatory in order that employees in the lowest income levels, most of whom do not belong to unions and have no bargaining power, can be helped to cope with the increased cost of living this past year?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, in a very substantial sense a great deal of the work force the hon. gentleman referred to is not under the jurisdiction of the parliament of Canada. With regard to the parliament of Canada, he is asking if it is our intention to increase the minimum wage to $3.50 an hour. I can say that is not the intention at this time.

Mr. Orlikow: A final supplementary, Mr. Speaker. I had no intention of asking the minister if the government was giving consideration to increasing the minimum wage to $3.50 an hour. I want to ask the minister whether the government is giving consideration to, and consulting with the provinces in respect of, jointly raising the minimum wage of employees under their jurisdiction so that the large number of people who are working, many of whom are included in the large number who are still classified as living in poverty by such organizations as the Economic Council of Canada, can be taken out of that poverty group and given a wage on which they can live fairly decently?

Mr. Macdonald (Rosedale): Mr. Speaker, I can say to the hon. gentleman that both the Minister of Labour and I have continually had discussions with the provincial governments with respect to the level of the minimum wage and there is, of course, quite a spectrum of opinion in Canada as to what the appropriate level should be. As I said, I cannot give any assurance that the minimum wage generally in Canada will be raised either by the federal government or by the ten provincial governments to the level of $3.50 an hour.

* * *

[*Translation*]

MANPOWER

REQUEST FOR ADDITIONAL FUNDS FOR LOCAL INITIATIVES PROGRAM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration.

Considering the great number of unemployed and the insufficient funds made available through the LIP program in the south shore area, could the minister advise what system has been devised by his department to assess the real number of unemployed and arrive at an equitable allocation of funds in the various ridings?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for his representations. What we have endeavoured to do this year under the LIP program is to give the heavier allocation in the areas as described by the hon. member, due in large part to the representations made by him and others in the region. We have a formula that has been devised which we think is weighted very heavily in favour of the areas where most of the help is required. There will be more money put into those areas than the areas of less unemployment.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask a supplementary question.

Since the decline of the economy in the south shore area stems from regional industries being in competition with similar industries in the Montreal region, hence the decline in the number of jobs and the increase in the number of unemployed, may I ask the minister to authorize a re-assessing of the unemployed in order to increase, if possible, the allocation of funds earmarked for the LIP program in the Bellechasse riding?

An hon. Member: In all ridings!

[*English*]

Mr. Cullen: Mr. Speaker, if I did that I would probably have 265 re-evaluations to make, one for every riding. We are being as fair as we can.

* * *

[*Translation*]

IMMIGRATION

REQUEST FOR LANDED IMMIGRANT STATUS FOR VALDES FAMILY

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, may I put a question to the Minister of Manpower and Immigration.

(*Applause*)

Mr. Lavoie: If I may be permitted to do so, Mr. Speaker, I would like to remind the House that a year ago on this day, I received a similar ovation in Hochelaga, following a well deserved victory.

Considering that many requests have already been made to the Department of Manpower and Immigration about the Valdes family, that Mr. Valdes left Canada last Sunday and that a prohibition order and a stay of execution was presented to the Federal Court aiming at acknowledging the claim of Mrs. Valdes and her four children who have been harassed for over a year by the Department of Immigration, and in view of the fact that it is inhuman to keep this woman and her children in a state of uncertainty which has lasted too long already, would the minister advise the House whether or not he intends to bring this question before the Cabinet so that it may formally acknowledge the status of landed immigrant of Mrs. Valdes and her four children, and in so doing take into consideration the fact that hers was a humanitarian case?

• (1130)

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the situation the hon. member describes he declares to be humanitarian. There are many humanitarian situations outside the country. People endeavouring to enter this country face situations every bit as difficult as those facing the lady and family to which the hon. member refers; but they see fit to obey our laws and make application in the appropriate way instead of attempting to enter the country illegally and then go through a whole series of procedures. The family referred to has been given the benefit of the most generous appeal procedures in the world; it has been looked at carefully. At present there is an application before the court

for an order of prohibition and we will await the outcome of that.

I think it is important for the hon. member to know that we have to deal with thousands of people making application to enter this country who go through legitimate processes. But some enter this country under false pretences and then throw themselves on the mercy of television, or of members, and so on. I do not think that is the proper way to establish an immigration policy.

Mr. Paproski: What would you think if you could get shot when you return to your own country?

[*Translation*]

Mr. Lavoie: I wish to ask a supplementary question of the Minister of Manpower and Immigration.

In view of his answer, and considering that we are presently in a period of austerity and that we are told to cut our expenses, if ever this family must leave the country the government would have to pay five one-way plane tickets. So why not keep them here in the country? Those people are accepted here and they are happy in our country. Can the minister say whether he is at least willing to consider his predecessor's statement about the L'Heureux-Dubé report which indicates, on page 2, that an order in council may be put before the Cabinet to keep a family here in Canada?

[*English*]

Mr. Cullen: Mr. Speaker, the hon. member has lost none of his fire during the past year. His representations are honest and straightforward. But once again I suggest that is hardly a basis for establishing an immigration policy.

Mr. Munro (Esquimalt-Saanich): Tell us about General Quang.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

POSSIBILITY OF AGREEMENT FOR DEVELOPMENT OF EASTERN QUEBEC

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

Could the Minister state for the benefit of the people in the Lower St. Lawrence, Gaspésie and Magdalen Islands region whether he has concluded his negotiations with his Quebec counterpart as to the economic development of this region and if we can expect the signing of an agreement in the near future?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to advise the hon. member that these negotiations are continuing, that they are not completed since, as I said, they are continuing, and that later on this afternoon, I shall have another round of negotiations with Hon. Gérard D. Lévesque and two of his provincial colleagues. We shall hopefully take advantage of this opportunity to progress and come to a decision so that we may be able to sign this agreement before the end of the current fiscal year.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

POSSIBILITY OF CHANGES IN TRIAL PROCEDURES—GOVERNMENT POSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Minister of Justice about a leak, deliberate or otherwise, with respect to recommendations for introducing a bill to abolish preliminary hearings and jury trials, something which goes to the root of the liberty of the subject. I ask the Minister of Justice, who has been quiet about that leak, if he intends during the present session, or in any session, to bring forward a bill in accordance with those recommendations?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I have hardly been quiet. I held a press conference and made public the report to which the hon. member is referring. I made a speech in Vancouver in which I said that we do not intend to interfere with the jury system, the right of the accused to remain silent, and the protection against self-incrimination. The hon. member really was referring to two reports, one being on work done by the Law Reform Commission on pre-trial proceedings, the other being a memorandum for discussion with deputy attorneys general prepared by an official of mine. It related to other matters, namely, how to decrease backlogs in the courts.

Obviously, the suggestions coming from the Law Reform Commission bear the closest examination and scrutiny by all people of this country, including I hope the hon. member, who share my concern that we should, where possible, eliminate delays in the trial process without at the same time interfering with the fundamental rights of the accused. That work is going on, but I am not in a position to say at this time whether any bill will be introduced relating to that matter. I have formed no recommendations; I have not made any.

Mr. Woolliams: Mr. Speaker, may I ask a supplementary question? Since the answer of the Minister of Justice was full of ambiguities, I ask, is he going to introduce a bill? If so, will he refer the matter to the Standing Committee on Justice and Legal Affairs? It is a most serious matter, going to the root of the very freedom and liberty of the subject. The right to trial by jury for indictable offences is as old as Magna Carta. Will the minister do as I suggest before the sort of confusion is created that we saw with respect to Bill C-83?

Mr. Basford: Mr. Speaker, I am not in a position to say whether or not a bill will be introduced as not even my own department is yet in a position to make recommendations or suggestions to me. Therefore, I am not in a position to say

whether or not a bill will be introduced. If one were to be, obviously, it would be referred to the Justice and Legal Affairs Committee.

* * *

AIR TRANSPORT

PROPOSAL TO TRANSFER FLIGHTS FROM DORVAL TO MIRABEL—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question is for the Minister of Transport. In view of the strong objections voiced by the Montreal business community about the proposal to transfer domestic flights from Dorval to Mirabel airport, does the government intend to put off the planned transfer of those flights until a satisfactory rapid transit system can be built to reduce greatly the time of transit and cost of travel between Mirabel and Montreal?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is inaccurate to refer to the situation in relation to traffic going to Mirabel as a planned transfer. We have been investigating the type of traffic moving through Montreal and the two airports, in an attempt to arrange that traffic in due course in a way to suit the convenience of the region and the people in the area served by the airports. The investigation also deals with the desire to make Montreal a very useful interconnection point for passengers from other parts of the country. We are therefore investigating this matter. It is now clear that we will not make any major change for some months; I would say spring is the next possibility. Our real purpose is to meet the convenience of passengers in every way, and we will try to take all factors into account, including surface transport. But that is only one factor which has to be taken into account.

Mr. Hees: A supplementary question, Mr. Speaker. In view of information coming out of Mirabel today showing that the new airport was not needed in the first place, is it not now evident that this white elephant the government built was both a stupid and costly mistake?

Mr. Lang: No, Mr. Speaker. The increased traffic using Dorval would have created great problems at that airport and for the people of the area.

Mr. Hees: All you had to do was extend the terminal facilities.

Mr. Lang: I suppose the hon. member is familiar with the kinds of problems which would be created in Toronto for people living near the airport by the expansion of the existing airport. I suppose the hon. member may be familiar with the kinds of problems that would be created for the people living nearby by the expansion of the Toronto airport. The same kind of situation has existed in the case of Dorval.

In addition, the additional land that would have been required would have been extremely costly to expropriate. What we did instead was develop a new airport, which will prove to be an extremely fine example of air service facilities in Canada, in an area where we obtained control over an adequate parcel of land to ensure that the kind of problems that developed in other locations will not occur again. Of course, that airport does not spring into full and final usefulness the minute it is open. However, I have no doubt that if the hon. member opposite will be patient he will see the results, and he will be glad to know that in later days I will be generous enough not to remind him of his words today.

• (1140)

Mr. Hees: Is the minister not aware that the plans drawn up for both the Dorval and Malton airports demonstrate clearly that all of the traffic problems in the next 20 years could be served by the building of an additional air terminal in each case, for which provision was made in the first plans laid out? They are just as applicable today as they were at that time.

Mr. Lang: No, Mr. Speaker. That is quite untrue.

Mr. Hees: Get up to date because that is a fact.

Mr. Lang: The hon. member, as a former Minister of Transport, is still relying on data furnished to him at that time.

Some hon. Members: Hear, hear!

Mr. Hees: That is what your people tell me today.

Mr. Lang: The very clear evidence in both cases was a major expansion requirement, including extra runway facilities and the like, which creates an additional noise problem in the respective areas.

Mr. Hees: Otto, you better stick to wheat.

Some hon. Members: No, no.

Mr. Hees: I apologize. I am sorry.

Mr. Lang: We are, of course, making every effort to make the maximum use of the existing facilities, including Mirabel, to avoid undue and increasing pressure on Malton in the absence of the additional air facility which had originally been planned, with the concurrence of Ontario, in the Pickering area. We are making every effort to arrange for alternatives for all of the people who will otherwise be inconvenienced by the serious problem of stacking in the air over Toronto if nothing more is done. We are doing the best that can be done. The fact is an additional air facility in the Toronto region is the only way we know of solving the problem of increasing traffic which will be presenting itself.

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ANTI-INFLATION PROGRAM

FAILURE OF PROFESSIONAL FIRMS TO FILE STATEMENTS—GOVERNMENT ACTION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Finance. In view of the

report in the *Globe and Mail* that some 35 per cent of professional firms have failed to file their required statements under the AIB regulations, will the minister advise what sanctions there are under the legislation and whether he now intends to take legal steps against those firms which have failed to meet the AIB requirements. I hope mine is not one of them.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, my advice is that all of the firms have not yet completed the fiscal period for which the returns are to be filed. In that sense, to a substantial degree, that is the reason there has not been total filing. As to the sanctions available, the hon. member is a lawyer and I would advise him to read the statute.

Mr. Leggatt: In view of the fact the AIB now has substantial information on professional incomes, will the minister advise why that information has not been made available to the public so that we can examine in a very accurate way what effect AIB has had on professional income. There is clear evidence that it has had very little effect on professional income. Will the minister therefore advise when he will be making an announcement in this House, where he will speak for all the people, not just the rich and professional, so that we have a program that controls professional incomes—

Mr. Speaker: Order, please.

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IMMIGRATION

POSSIBILITY OF NEW ACT—CONSULTATION WITH PROVINCES

Mr. Jake Epp (Provencher): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration. In view of repeated assurances by the former Minister of Manpower and Immigration that a new Immigration Act would be forthcoming in the present session of parliament, will the minister now indicate if it is the government's intention to introduce a new Immigration Act during this session of parliament rather than amendments only, as indicated in the throne speech?

Hon. Jack Cullen (Minister of Manpower and Immigration): A new act, Mr. Speaker.

Mr. Epp: At the recently held premiers' conference, agreement was reached among the provinces that provincial involvement in immigration should be guaranteed in any future constitutional amendments. Can the minister indicate whether the principles of the new Immigration Act have received agreement in principle from the provinces?

Mr. Cullen: Mr. Speaker, I will have to check that out, but I understand that my predecessor had extensive discussions with various premiers. We have also read at length and in some depth the excellent report of the committee of which the hon. member was a member. Most assuredly consultation with the provinces will continue. I hope we will be able to enter into agreement with the provinces comparable to the Andras-Bienvenue agreement we now have with Quebec.

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[*Translation*]

AIR CANADA

REQUEST FOR EQUAL LANGUAGE RIGHTS FOR ALL EMPLOYEES

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the fact that on October 1 last, Mr. A. D. Bone, one of the officials responsible for maintenance at the Air Canada base at Dorval, sent out a circular forbidding the wearing of the badge "Il y a du français dans l'air", and bearing in mind the fact that last March the same vice-president allowed the wearing of the badge "English Only is the International Language of Aviation", can the Minister of Transport tell hon. members whether he is willing to take immediate steps to ensure that Air Canada employees who support the bilingual objectives of the government have the same rights and privileges as those who are fighting against them?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, certain of the matters to which the hon. member refers are presently before the courts and I would not want to elaborate on them. Naturally I have noted Air Canada's clear statements of its obvious willingness to follow the spirit of the Official Languages Act, which we would require of it in any case as a Crown corporation. That willingness was expressed by the Crown corporation once again only very recently.

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COMMUNICATIONS

POSSIBLE INTRODUCTION OF LEGISLATION—REQUEST FOR COMMITTEE HEARING ON PAY TELEVISION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. In view of the absence of the word "communications" in the Speech from the Throne by a government which wants to communicate, will the minister advise what has happened to phase two of communications policy, and whether there will be any legislative initiatives in this session?

Hon. Jeanne Sauvé (Minister of Communications): Yes, Mr. Speaker. I intend to introduce a piece of legislation on communications in this session.

Mr. Nowlan: I thank the minister for that answer. I wish to ask more specifically about the communications policy with regard to pay television. In view of the representations the minister has received with regard to the CRTC review of briefs that were submitted in private, has the minister had

consultation with the chairman of the CRTC with a view to either having the CRTC ventilate those briefs before a public hearing so that all parties will have a chance to discuss the briefs or, if it is not the CRTC, have that matter referred to a parliamentary committee before the CRTC makes a recommendation to cabinet on something so fundamental as a communications policy in this country?

Mrs. Sauvé: Mr. Speaker, I remind the hon. member that the CRTC held hearings on pay television some time ago. In this second phase, I have asked people to send briefs to update those they presented to the CRTC. This was subsequent to a speech I made in which I indicated some of the rules under which pay TV might be introduced in Canada and some of the structures that might be necessary if and when this is to be introduced. The briefs are now coming in. Indeed, if there is justification, I have no objection to new public hearings. I will be meeting the president of the CRTC on Tuesday to discuss this matter.

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SMALL BUSINESS

REASON FOR MINISTER'S TRIP TO MOSCOW

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, I wish to put my question to the Minister of State responsible for small business and to take this opportunity to congratulate him on his appointment.

Some hon. Members: Hear, hear!

● (1150)

Mr. Jelinek: In view of the fact that the government continues to make repetitive but vague promises to the small business community without as much as a hint of any specific policy proposals, could the minister confirm or perhaps deny that his scheduled trip to Moscow, which I think is his first trip abroad since he assumed his new portfolio, is being made for the purpose of putting the capitalist system in a new perspective?

Hon. Len Marchand (Minister of State (Small Business)): Mr. Speaker, I should like to thank the hon. member for his congratulations. One of the reasons for the trip to Moscow surely is that the Canadian government is very anxious to sell a number of things, and if we can increase our trade around the world this is good for big business and for small business as well.

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ENERGY

CRUDE OIL—ALLEGATION PETROSAR NOT APPROVED AS BUYER BY ALBERTA

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources and relates to the report this morning that the province of Alberta has indicated that Petrosar will not be an approved buyer of crude oil for feedstock purposes. In view of the hon. gentleman's responsibility to fulfil federal guarantees that crude oil will be supplied to the project, what does the minister intend to do about this situation?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I heard the same report on the morning news and I have not yet been able to clarify the statement or to define precisely what words were used. I have asked for that information. As hon. members will understand, the implications are very serious if the news report is an accurate one. Because it is so serious, I am anxious to defer my answer now until I have seen a transcript and clarified the remarks of the premier of Alberta.

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STATISTICS CANADA

ALLEGED VIOLATIONS OF CONFIDENTIALITY—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the new Minister of Industry, Trade and Commerce, whom I wish well in the discharge of his weighty responsibilities in a key portfolio. I ask him this question in his capacity as minister responsible for Statcan. Will substantiated breaches of confidentiality by Statistics Canada personnel in fact be acted upon with full vigour, as promised by the chief statistician of Canada in a letter published on August 4 of this year in the Ottawa *Citizen*, a copy of which I have already sent to the minister? I ask this question because Statcan can only properly function if it enjoys the complete trust of all Canadians in the inviolability of the information supplied to it.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, first of all I wish to thank the hon. member for his very kind remarks. With regard to the problem he brought up, I am pleased to assure again the hon. member that Statistics Canada intends to operate according to the law, that is, to keep confidential the information received from Canadians.

[*English*]

Mr. MacKay: Mr. Speaker, I thank the minister for his answer and I have one brief supplementary. Can the minister indicate the extent of investigations into Statcan by the RCMP in recent years with regard to breaches of the confidentiality provisions of the Statistics Act? Would he also indicate the scope of these investigations and is the minister prepared to give details at this time or later?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not have the requested information at the present time. However, I shall inquire and if I can make this information public, I shall be pleased to do so.

Oral Questions

SOCIAL SECURITY

REQUEST FOR COPY OF PROPOSED BILL RELATING TO SOCIAL SERVICES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

This morning, in his address to the national conference on mental retardation, the minister referred to a bill to replace the Canadian assistance legislation which will now be entitled the Social Service Act. Would the minister be in a position to table a copy of the proposed legislation or would it be possible to give a copy of it to hon. members as the public is now aware of this bill since the minister revealed it at the conference?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I am glad to inform the hon. member that the bill in question which I announced this morning has been discussed at federal-provincial conferences for more than three years and that I have delivered many speeches on that subject in the House and outside. I would be pleased to send copies of my former speeches to my hon. colleague.

Concerning the bill, drafting is not finalized but various projects have been discussed with my provincial colleagues. As soon as it will be completed, I will be glad to table it for first reading. I hope that this bill will be supported by every member and passed quickly to provide Canadians with better social services than those available at the present time.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to ask a supplementary question merely to correct the minister somewhat. Had he been there after his speech, he would have heard delegates and all those who participated at the seminar expressing rather their surprise and their doubts about that bill, with the exception of federal officials who knew the bill in its present wording.

Mr. Lalonde: Mr. Speaker, I can very well understand that 600 people, of whom several attend a national conference on that subject for the first time, were not fully aware of the content of such a bill. But I must remind the hon. member that the Canadian Association for the Mentally Retarded is governed by an executive with whom I had several meetings during the past few years, particularly in January when we discussed the possible content of that bill. Therefore this is no surprise for the leaders of that association, I can assure the hon. member.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, my question is for the Minister of Labour. In view of the fact that organized labour's share of the gross national product has increased rather than decreased on this the first anniversary of wage and price guidelines, can the minister advise the House whether productivity in Canada in the last 12 months has increased at the rate of 11 per cent, the average general increase which was obtained by organized labour in the last 12 months—

[Mr. Chrétien.]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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FINANCE

ALLEGED FAILURE OF CORPORATIONS TO PAY EQUITABLE SHARE OF TAXES—POSSIBLE INTRODUCTION OF INCOMES POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that back in 1952 corporations paid some 54 per cent of the Canadian tax load and today this figure is down to around 30 per cent, is the Minister of Finance considering acting on the advice of a former colleague, Eric Kierans, and introducing an incomes policy under which corporations pay a much more equitable share of the tax load in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, any changes in the incidence of tax, of course, would have to be announced at budget time.

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[*Translation*]

POST OFFICE

MEASURES TO STOP ILLEGAL WORK STOPPAGES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct my question to the Postmaster General, whom I want to congratulate on his appointment.

Since last year, during the general Post Office strike, the then minister told the House that collective agreements had been signed to the satisfaction of both parties, can the minister tell us, as sporadic work stoppages again occur everywhere in Canada, which are very expensive to taxpayers, whether he will take strict measures to bring people back to work since they have already signed a collective agreement?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, first of all I would like to thank the hon. member for Richmond for his warm feelings. I do want to indicate to him also that we agree that there is a collective agreement and the Post Office fully intends to abide by it. We indicated, and I repeat, that we intend to take the sanctions available to us to deal with any illegal action by postal or any other employees coming under the provisions of the collective agreement.

AGRICULTURE

REQUEST FOR REVISION OF DAIRY POLICY

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Agriculture. Since the policy announced last April with respect to the dairy industry placed milk producers in a near catastrophic situation, and in view of the absence of measures dealing with that industry in the Speech from the Throne, could the Minister of Agriculture say today whether he intends to reassess as soon as possible the policy announced last April to meet needs and eliminate the difficulties milk producers must now face?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, under the agreement that we announced we are assessing the situation from month to month in order to see what is happening so far as production, markets and so on are concerned. We are doing this every month and receive a report from the Canadian Dairy Commission on what supplies are. Production is getting back in line, but not in all areas. There is a suggestion that there remain these shortages, but we still have tremendous surpluses of butter and skim milk powder.

● (1200)

[*Translation*]

Mr. La Salle: I have a supplementary, Mr. Speaker. In view of the answer of the minister that I find entirely inadequate I will put my question to the Prime Minister. The Prime Minister told the hon. member for Richmond yesterday that his government had spent large amounts on the dairy industry, and I do not quarrel with that. But since those subsidies made available to milk producers are clearly inadequate and several of them not only in Quebec but also in Ontario could be faced with bankruptcy—and the minister is surely aware of that—I would like to ask the Prime Minister whether he intends to demand a decision or a reassessment from his Department of Agriculture to meet the needs or make a minimum income available to milk producers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when a decision is made it will be announced in the regular way.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, since this is the first Thursday of the session could I ask the usual business of the House question. Before doing so I should like to extend congratulations to the government House leader on his ascension to that position, particularly in this instance when he embraces his return to the House with such relish and enthusiasm.

Some hon. Members: Hear, hear!

Business of the House

Mr. Baker (Grenville-Carleton): Since this is the first day on which we might discuss House business there are a couple of things I should like to raise with him on this point of order. The first is whether it is the present intention of the government to continue the throne speech debate consecutively until the end of the period of time allotted under the Standing Orders, or is there any intention to break into that with anything else? Is the minister now in a position to indicate the general shape of the legislative program for this session, the priorities of the government in respect of legislation, and can he inform us today if he has had any thoughts about the matter of opposition days? What are his intentions in respect of the white paper on banking? Does he intend to refer that immediately to the appropriate standing committee so that input can be had at this early stage from the general public as well as from banking institutions? I ask these questions about legislation particularly in view of the fact that the Minister of Manpower and Immigration indicated this morning an amendment to the act and the Minister of Communications indicated she was going to be bringing in amendments at least, dealing with some legislation. Is it too premature to ask questions in that broad way today?

Mr. MacEachen: Mr. Speaker, I thank the hon. member for his good wishes and felicitations on my return to this particular post, and express my appreciation also for the expression of good wishes extended by members of the House generally. I certainly appreciate that very much, indeed.

In respect of the immediate business of the House, I see no immediate relief from this particular debate that will engage us until the end of next week, but it may be that the dynamic character of the new ministers will cause us to change that before then.

The priorities of the government are generally set out in the Speech from the Throne, but I hope at an early date to have a meeting with my colleagues opposite to outline as clearly as possible the legislative program for the next several weeks.

Having regard to the reference to the white paper on banking, I have not had an opportunity of discussing that with the Minister of Finance or my colleagues. When I do so, which I hope will be soon, I will communicate the results to the House. I want to tell my hon. friend, and other House leaders, that I look forward to my association with them with a great deal of relish.

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I preface my additional remarks on this point of order with these words. With your permission I should like to pay tribute to the former government House leader, the hon. member for Eglinton. I think I speak for all members of my party in expressing appreciation for the openness and the candor with which he dealt with me as representative of the Progressive Conservative party.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): From the minister's answer, may I presume that one of the matters we will be

discussing shortly is the question of opposition days and the allotment thereof?

Mr. MacEachen: Yes, indeed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I join with the hon. member for Grenville-Carleton in his words with regard to both the former House leader and the one before him who has come back to us. I welcome the President of the Privy Council back to the House leader level. I do not know whether that is a plateau, a peak or a valley, but in any event we welcome him back. I should like to say that if he can persuade this government to come through with legislation along the lines he was able to get the government to agree to when he was last House leader, this will be a very good parliament. I am sure the hon. member knows what I mean. If he can just do some of the things he was not able to do in May, 1974, that would be good for everybody.

Having regard to the business of the House in the weeks that lie ahead, since it has been the practice for a number of years to have a list of the bills the government proposes to introduce during the session presented to the House and placed on the record of *Hansard*, I am wondering if that will be done in this session and, if so, will it be done very soon?

Mr. MacEachen: No, Mr. Speaker. I have considered that possibility and see no advantage in producing a formal list at this particular stage. I will give the hon. member and other hon. members as much detail as possible about the evolving legislative program.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, October 13, consideration of the motion of Mr. Maurice Harquail for an Address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto by (Mr. Clark) (p. 28) and the amendment to the amendment (Mr. Broadbent) (p. 37).

Mr. John A. Fraser (Vancouver South): Mr. Speaker, before commencing my remarks I want, through you, to congratulate the various hon. members on the government side on the recent positions to which they have been appointed, and wish them well in their endeavours.

● (1210)

I think I might also say they will be watched very closely because it is quite apparent to the Canadian public, and I think certainly to all hon. members who listened to what their constituents had to say during the summer, that there is much uneasiness with the present government and the present approach the government is taking. That uneasiness in my opinion is not just a passing phase but is deeply rooted and stems from a good number of years of not just mismanagement but no management at all. That lack of management and leadership is the underlying problem the country faces. I say with as much kindness as I can to the new ministers that this is the fundamental task to which they will have to address themselves and that unless they do so the country will not withstand another two years of what we have been through.

I must say I regret that the Leader of the New Democratic Party (Mr. Broadbent) is not here because a personal matter has required that he leave the House. However, I think it would be improper to rise in this debate without stating something bluntly to my friends and colleagues in the New Democratic Party. It is all very well for them to try to take the position on television or in other places that the Conservative Party has no policies or positions. The fact of the matter is that consistently in this House over a good number of years we have said that the country's recovery will depend on productivity, on a competitive market system and a high degree of management-labour accord as well as a close rapport and relationship between government, management and labour. We have said this repeatedly and we have said it in a responsible way. We have said it because it needed to be said since it was not being said by the members of the government or the Prime Minister (Mr. Trudeau) and certainly was not being said by some of my hon. friends in the New Democratic Party.

It is time that the New Democratic Party and the government began to realize that the public is not impressed with an economy that is stagnant as the result of the mismanagement by the government of the day and partly because of the philosophy and at times utter nonsense uttered by the other opposition party, the New Democratic Party. Unfortunately, Mr. Speaker, the New Democratic Party at times, even when it is headed—I was going to use the expression "in the right direction" but they would not like that—in the appropriate direction, handles itself with such complete irresponsibility that it cannot be taken seriously. I am sorry to have to say this as bluntly as I do, but it is true. It was exhibited in the amendment moved yesterday by the New Democratic Party. I wish to read that amendment:

> We also affirm that the failure of the government to end the wage and price control program immediately, in light of . . .

Then, it continues. There is no question but that there are aspects of this wage and price control program with which not only do we, along with our friends from the New Democratic Party, quarrel but which we pointed out would cause trouble at the time the legislation was debated. But it would be completely irresponsible to end the program immediately; that cannot be done and the New Democratic Party ought to know that. So, we have to say we agree with the New Democratic Party that there are inequities in the control program and that it could be and should be improved.

We might take as an example the situation we have in the Yukon Territory at the moment where the Cyprus-Anvil Mining Company achieved an agreement many months ago. The Anti-Inflation Board rolled back the agreed wage scale once, and then changed it. Then, the administrator came in and rolled it back a third time to a lower figure. One result of

all that is that we are very cognizant of the faults in the system. The second result is that there are 400 people who have been and are on strike. The mine is not operating. The business community in Faro is suffering as is the community of Whitehorse. The White Pass and Yukon Railway has cut its operation in half and has laid off 170 drivers. In addition, the government-owned and operated power commission has increased its power rates. Just to make the matter more incredible, the Canadian Labour Relations Board says the strike is legal.

I agree with the New Democratic Party when members of that party point to this sort of thing and say it is not logical. We, of course, have said over and over again that it is not logical. Members of this party were in the forefront in respect of the situation in Thompson, Manitoba and every member of the New Democratic Party knows this. Someone just said that we would have frozen wages. If our party had been elected—

The Acting Speaker (Mr. Turner): Order, please. Would the hon. gentleman please address the Chair.

Mr. Fraser: I am sorry, Mr. Speaker. I will watch myself. I was carried away with the enthusiasm of the moment. I want to say, Mr. Speaker, that if our plan, which would have placed a freeze on prices and wages, had been implemented in 1973 it would have ended quickly and we would have been out of the whole thing now. Not only that; we would have done it at a time when the inflation rate was only 5.7 per cent which was the situation in January 1973. We continued to advocate the need for some kind of controls in July 1974 when the rate of inflation was 10.6 per cent, and in October 1975 the government did what it said it would never do. But I repeat that if the advice this party had to give the House had been accepted, we would have had controls that would have been fairer. They would have ended by now and we might well have kept that inflation rate a little lower than it became.

Some hon. Members: Oh, oh!

Mr. Fraser: Through you, Mr. Speaker, may I say that I notice some of my friends in the New Democratic Party are saying "oh, oh". What we have now, because they would not support us then, is a controls program that they agree is unfair and which we agree is unfair but which we still say was necessary. However, if they had taken our advice and joined us when they had the opportunity, we would have stopped the inflation rate when it was 5.7 per cent and not the 11 per cent or 10 per cent which it was last October. We would be out of the control system now and they would have done a lot more for the working men and women in Canada.

• (1220)

Some hon. Members: Hear, hear!

An hon. Member: Why did you not vote for it on third reading?

Mr. Fraser: I must answer this through you, Mr. Speaker, by saying what was well known by everyone in the House, including the Prime Minister who made comments on it in his speech yesterday. The reason was that, as we said, it was open-ended, and we advocated that the program be brought to a close by April of next year. Everybody in the House knows that that is true and it is just nonsense for the Prime Minister or anybody else to ask why we voted against it on third reading. We voted against it on third reading because it was a bad piece of legislation.

Some hon. Members: Hear, hear!

Mr. Orlikow: Why did you vote for it on second reading?

Mr. Fraser: I want to say, Mr. Speaker, that there is no doubt that, so far as all members of the House are concerned, there is a very serious situation in the country in the relationship or lack of relationship between employers and labour. It does not do this country any credit to have one of the worst strike records of all the western industrial nations. Quite frankly, the figures are appalling. If you think that I use language that is too strong, you should go to Europe and listen to both labour and management describe our disgraceful strike record. You should go to Germany where trade union members will say, as they have said to me, how can you have a country that has all the resources that yours has, that has people who have, relatively speaking, a very high degree of education, that has obviously people of initiative and competence, and yet so mismanage things, all of you, that you have slipped into a situation of being forced to impose a control system which, if left on long enough, will be counterproductive and in any event will cause a great deal of social and civil strife. This is what a German trade unionist told me. I had the privilege of meeting some of these people during this recent summer.

The record is appalling and all members of the House know it. We must find some way to do something about it. I should like to quote from a speech the Minister of Labour (Mr. Munro) made on May 25, 1976. He gives government figures which I am sure are accurate. He said:

> The number of man days lost in work stoppages has risen rapidly from an average of six million a year over the period 1970 to 1973 to nine million in 1974 and 11 million in 1975.

He went on to say:

> The first few months of this year indicate that the record of man days lost may be improving.

That is highly dubious if you look at Mr. Flynn's articles. He has been studying the changing rate in strikes and they may be increasing again.

I want to point out something to all members of the House and especially to my friends in the NDP who sometimes seem to think that the Conservative party has no concern for the 2.2 million people in the CLC as well as the other million organized workers outside the CLC, their wives and families, and another six million Canadians who are in the work force. I want to say to the NDP that we are as aware as they are, and sometimes more so, that these people are Canadians, that they are our neighbours, our friends, our sons and daughters and

our mothers and fathers. We keep this in mind. Despite the appalling strike record, there are figures which indicate—

Mr. Peters: What is appalling about the strike record?

Mr. Fraser: —that approximately the same number of man days has been lost because of alcoholism and that a similar number of man days has been lost as a result of industrial accidents. I just say that to put all of this into perspective. Nonetheless, the strike record is appalling. It is appalling, of course, because it is unnecessary. It is unnecessary partly because it stems from the fact—

Mr. Peters: Bad government and bad legislation.

Mr. Fraser: —that the system of bargaining has traditionally been in this country a system which involved the individual union and individual employer without any consideration for the total community in which these two parties were bargaining.

Mr. Orlikow: That is the free enterprise system.

Mr. Fraser: It is a system which your party has supported enthusiastically and still does.

Mr. Peters: We do not agree with it.

Mr. Fraser: I want to read to hon. members a comment made by the former minister of transport, the hon. member for Langelier (Mr. Marchand), about the system that we have today. He said:

> How is the level of wages established? Is it according to a certain rule of justice, as I heard yesterday? No. It is according to the strength of each party. I have been in that trade all my life. I was involved in certain strikes where the justice of cause was very clear, and we lost. I was involved in others where it was less evident, and we won. Why? Because we were weak in the first place and strong in the second. This is the way disputes are settled. They are not settled according to certain criteria or principles known or accepted by everybody. It is free bargaining.

The problem with that, of course, is that it leaves us in a situation in this country where the strong unions will be able to constantly secure their position and the weaker unions and the unorganized will be left out. It also means that the philosophy in that statement is to be carried on, that you are going to have the collective bargaining system continue without any consideration whatever for the general climate within which individual bargaining is taking place. I think there are 100 affiliated unions in the CLC and of those there are 9,000 local unions. As many hon. members well know, there is an immense number of individual contracts worked out in the country. I might say in fairness that far more are worked out peacefully than with labour-management strife.

But we will have to find some way by which management, labour and government reach some basis of agreement as to where the economy is going, how it is to function effectively, and what are the appropriate shares that any one of these three groups should be able to take from the Canadian economy without jeopardizing the economy as a whole. It is very difficult to disagree with that statement because it should be accepted as basic common sense. That statement is not misunderstood by trade union leaders in this country. It is misunderstood by some, but there are a good many who understand it perfectly well. One of the things that has happened this year, the most significant thing, I think, in a number of decades of Canadian labour history, has been the CLC manifesto which was declared in the May meeting at Quebec City of the Canadian Labour Congress. Every member in the House should pay a great deal of attention to that manifesto, not only to what is in it but to what is not in it and to why that manifesto was ever enunciated as well as what lies behind it.

Put very simply, the Canadian Labour Congress believed that after the doublecross they received from the federal government on wage and price controls they had to have a closer liaison with the government of the country because it was obvious that whatever their views were they were not being taken into account. Second, they could not trust a government which talked at them but not with them. If hon. members think those words are too strong, they should ask anybody who attended the so-called consensus talks which went on under the aegis of the former minister of finance month after month. During all that time the government never set out to labour what it thought the economy could do, what its own plans for the economy were or what its long term objectives were with respect to employment and industrial strategy.

• (1230)

Mr. Peters: They didn't have any.

Mr. Fraser: They did not have any; that is why they did not indicate them. However, as a consequence of that we have a government day after day in the House of Commons retreating from questions by this party, by myself, by members of the NDP and the Social Credit Party with regard to what is happening in the relationship between government and labour in this country.

What did the minister of Labour keep saying? He said that the government was talking and that the former Minister of Finance was having consensus talks. What did the former Minister of Finance say? He said that it would not be appropriate to say what labour was thinking. The fact of the matter is that the government knew perfectly well what labour was thinking. The government was not listening, and in addition to that, during those entire consensus talks it never gave a hint that it was going to double cross labour and bring in the controls which it promised labour in 1974 it would not bring in. One of the problems we have now is that there is not any trust between labour and the government. Unfortunately, that lack of trust is also in other elements of the community. However, if we are going to have a better climate of labour relations, we must have trust. That does not mean that labour is foolish enough or naive enough to think that in all ways at all times every government will agree with it.

Labour is grown up; it is tough and it knows it will not get its own way all the time, but it would rather have a government indicate that it has to put in controls, if that is to be

done, rather than a government which indicates that it will never put in controls, that it would not do that to labour or that it would not freeze wages, as the Prime Minister said all during the 1974 campaign, and then double cross labour and do that without warning, despite the fact that consensus talks were being held.

What has been the response of the government since the controls program came in? The response of the government has been, first, to say that it is carrying on some talks with the Canada Labour Council, which was established. That did not last very long because Mr. Morris pulled his people out of that and the Economic Council of Canada. It is true that at the time I criticized labour for pulling out because I did not see that it would do any good. Labour's response was that it was not doing any good to stay there. That is more an indictment of the government than of labour.

So, what is the answer? The answer is found in the proposition that there must be, on a consultative basis, continual rapport, discussion and understanding between employers, labour and government. The CLC manifesto moves in that direction. Unfortunately, it also contains some other things which need some very careful analysis.

Speaking to the Trade Union Congress in Great Britain on September 9 Mr. Morris told his colleagues there about the CLC manifesto, and he said the following, which bears the consideration of every hon. member:

> The new body, to be possibly called the Council for Social and Economic Planning, would be created by legislation and would report to Parliament through a Minister. The powers delegated to this Council by Parliament would be carried out by a number of subordinate specialized boards and agencies.

He went on to say the following:

> The proposed tripartite body would also have delegated powers to redress the present distribution of income in Canada. The Council's activities in this area would include previewing draft legislation, reviewing current practices, proposing improvements to law and practice, and initiating new programs and projects. The fields of concern would include old age pensions; workmen's compensation; health, maternity, unemployment and other welfare benefits; family allowances . . .

That is an amazing amount of power to propose that parliament delegate to any agency, and the difficulty in this is that it is a delegation which really would remove decision making from the government and approval from parliament. It will be important to persuade trade union leaders that their proposal does go farther than our system can probably accommodate.

This ought to be well known by trade union leaders because certainly their rhetoric—and I am convinced much of their practice—is intensely democratic. One of the difficulties the CLC executive has had in obtaining the power to speak for all its members has been the reluctance of the affiliates to transfer the democratic power they hold within their locals to that executive. Anyone who understands labour relations in this country knows that that is true.

So, it will be incumbent upon us to speak with labour—and hon. members should notice I said speak with, not at—and try to persuade labour leaders that perhaps this proposal goes too far. I think a great many of the rank and file of labour will realize that it is not practical to take from parliament that amount of power. If hon. members have any doubt about just how much power is being asked for, I refer again to the speech given by Mr. Morris where he says the following:

> We also adopted a policy statement, called Labour's Manifesto for Canada, which determines the general orientation of our movement and calls for the creation of a tripartite decision-making body which would have powers to plan social and economic policy, control private and public investment and supervise national income redistribution.

It is the position of this party that the powers asked for in the CLC manifesto are more than the democratic system can provide and that it would be a great mistake to establish in that kind of an agency. However, it is also recognized that what brought about the CLC manifesto was a determination on the part of a great many people within the trade union movement to play a more significant part in the affairs of their country. This is not new in the trade union movement. It can be found in Europe in almost every country which has a productive economy and a high degree of accord between management and labour.

What is called for is probably a multiparty consultative system which would be established at first on an informal basis in which government, management and labour would meet on a consistent basis to examine what the economy is doing, where it is going and what it will bear. Hopefully, the result of those discussions would be that nobody in this country, whether it be government, management or labour, would be destroying the economy, which is absolutely vital for the future well being of all Canadians.

We have some specific suggestions to make as to what form this body should take. We are convinced that there must be a consultative mechanism which involves labour, management and government. We believe this procedure ought to be followed in each province because we recognize federal and provincial divisions of responsibility. We believe that such an institution can only develop if it is, first of all, truly representative and, secondly, if both labour and management can send to it representatives who can speak for their respective bodies. I might comment that while labour has difficulty in finding representatives who represent all labour because the Canadian Labour Congress does not represent all organized labour and there are another six million Canadians who are not organized at all—

● (1240)

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but I have to inform him that his allotted time has expired. He can continue with the unanimous consent of the House, however. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The hon. member for Vancouver South (Mr. Fraser).

Mr. Fraser: Thank you, Mr. Speaker. As I was saying, management does not have any representative group that

speaks for management in this country. The Canadian Manufacturers' Association speaks for some manufacturers, chambers of commerce speak for some businessmen, boards of trade are usually local and confined to their own cities and provinces. As a consequence, when the government wants to speak to business it calls in half a dozen of the so-called leaders of industry, and now John Bullock to represent small business, and thinks it has had a discussion with business in this country. It just is not so. As a consequence, if this institution is to work, both labour and management will have to be able to send representatives who really represent and speak for them. We believe that, on the management side, both large business and independent business must have their own representation. Their views and interests are not always the same. Government and municipal employers must also be represented.

On the labour side, the Canadian Labour Congress is, at the present time, the principal labour association but some adjustment must be made to include the other one million union members and something must be done to recognize unorganized workers and farm workers.

We do not believe at this time that this proposed body ought to receive power delegated to it from parliament. Like anything new, it is too much a departure from the traditional Canadian practice to invest an untried association with what amounts to governmental executive decision-making powers. We believe that there should be recognition that the Canadian Labour Congress does not speak for all labour and big business leaders do not speak for all business. Keeping this in mind, there should be equal one-third representation from labour, management and government.

We believe that such a consultative body will only command public respect and confidence if it is clear that all three groups agree that, despite the differences, they will continue to meet and use their best endeavours to find agreement. Such a body will not function if government, labour or management insists on withdrawing just because there is disagreement. Disagreement must be anticipated; the task must be accepted and it is to find agreement.

There must not be any suggestion that such a body is a substitute for the government of the day or the parliament of the day; if there were such a result it would be the antithesis of our democratic parliamentary system and, not without importance, it would be contrary to all the rhetoric and much of the practice of democratic trade unions in Canada. It is also our belief that long before such an institution is established there must be a series of discussions and the form of organization must be agreed to, subject to modifications from time to time. For the present, we see no need to legislate the formation of such a body because its early success will of necessity depend upon flexibility and in all likelihood in the early stages, constant adjustments.

Mr. Speaker, there is a reason to emphasize the importance of this relationship between government and labour because, as I pointed out, we cannot continue to have a productive economy, hopefully giving more to our people as time goes on and caring for the increased number of Canadians that will be

[Mr. Fraser.]

here, unless there is fundamental agreement and accord on where we are going and what the economy will bear. This is going to require great frankness on the part of government and it is going to require great responsibility on the part of management and great responsibility on the part of labour.

I say to all hon. members—if you want people to act responsibly, give them responsibility, It is about as fundamental a fact in human experience as can be found. The message that is coming to us quite clearly from labour in this country is that despite all the anomalies and at times erratic behaviour, increasing numbers of trade unionists and trade union leaders are asking for responsibility. If this can be achieved, then all the other details of industrial bargaining will have some meaning. But unless there is fundamental accord between the various sectors of the economy on what we can afford to do and what kind of economy we want to have, all the other measures will be patchwork at best.

If there is any doubt that some such consultative process is necessary, I again remind hon. members that the European experience, while in a different environment than ours, clearly indicates that where you have a good economy and a high degree of accord between labour and management, some sort of consultative system like this exists.

In closing, Mr. Speaker, I should like to say that it might be of advantage for this House to hear the words of the former prime minister of Great Britain on this matter. In the British House of Commons on July 7, 1976, Mr. Heath said:

> Those countries which have had the greatest success in dealing with their industrial situation are those which, in one way or another, have the closest form of consultation with both sides of industry. Those who have studied this will know that in Japan, Germany, Sweden or even Singapore—in those countries where there is close consultation—there is always the best result from the point of view of industrial production and, incidentally, from the point of view of dealing with inflation.

Mr. Speaker, on this day on which labour has chosen to take an unusual step in Canadian history by calling for and launching a national strike or national day of protest, it is important to look beyond today to see just what we can do in the coming months to repair the damage of the last several years. Fundamental to that is the establishment of a climate of trust within which management and labour can deal with government. It is my hope, Mr. Speaker, that before too long this party is going to have an opportunity to establish that climate of trust for the well-being of all Canadians.

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, at the commencement of my remarks I should like to take occasion to express my congratulations to the mover (Mr. Harquail) and the seconder (Mr. Lachance) of the address—to the member for Restigouche (Mr. Harquail) who joined us in this House just last year but has already given an indication that he will carry on that fine New Brunswick tradition in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): It is a tradition which I share by inheritance as the son of a native of Saint John.

[*Translation*]

I take this opportunity to congratulate my colleague the hon. member for Lafontaine-Rosemont (Mr. Lachance). I was in the class of 1962 with his father and I am confident that his constituents, the Quebec caucus as well as all members of the House compliment him on his eloquence. We are therefore grateful for the services which he will render Canada, as can be expected from his behaviour in this House.

● (1250)

[*English*]

On a personal note, may I join other spokesmen in expressions of regret at the passing of our colleague from Louis-Hébert, Madam Morin. She was a person of great personal charm; at the same time she showed considerable steel in her personality. Both personality traits were combined in a felicitous way and we are all losers, in this House and outside, because of the passing of a valued member, one for whom there was genuinely high regard on both sides of the House.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): It is appropriate on the anniversary of the first enactment of the price and income control program to review the events of the past year, talk about the impact of the controls and of certain events which have occurred, particularly with regard to the so-called day of national protest. I intend to do so in the course of my remarks.

When the government announced the controls program a year ago we said that we would rely on four instruments to recapture economic stability. The first three of these, fiscal and monetary policy and controls on profits and incomes, I shall have occasion to talk about during the course of my remarks. I want to begin by referring to the fourth of the instruments to which we made reference, that is to say, to the approach which would comprise an examination of structural deficiencies in our economy and its institutions.

This afternoon I want, on behalf of my colleagues, to table in this House and release to the public a Government of Canada working paper on the Canadian economy in the post-control period. If we are to act to preserve our long-term interests as individuals and as a nation, we must arrive at as common an understanding as possible of the nature of the prospects and challenges before us.

The Acting Speaker (Mr. Turner): Order, please. Does the minister have leave to table the document referred to?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): We suggest that the policy directions set out in this paper be viewed as an agenda for future consultations. We welcome the advice of all Canadians in the modification or the further elaboration of the analysis contained in this paper and the policies it suggests. I would ask that this paper be read with consideration. All will find something here that they disagree with, or that argues against their particular interest. We expect that they will make known that interest. Frankly, we expect that they will do more.

This paper suggests that there are deficiencies in our economy and its institutions that of themselves contribute significantly to inflation. If these factors continue to operate, inflation may well return at intolerable levels once controls are removed.

Continuing inflation will give rise to greater public demands for government intervention to offset the inequities generated by the inflationary process. If governments are to be able to meet social and economic objectives with less rather than more intervention in the economy, inflation must be held to a minimum. I think we must recognize that the Canadian economy may continue to be vulnerable to inflationary forces as we move into the 1980s. This is why there needs to be a wide understanding of the nature of problems and as broad a consensus as possible on measures to correct them.

The international economy will be marked by strong competition for resources and for markets in the 1980s. Continued growth will add to pressures on the prices of foods, energy and mineral resources. The rate of growth of the labour force in Canada will slow in the 1980s, leading to tighter labour markets. Very large investment requirements will put pressure on our capital resources. Competition for financing, equipment and skilled labour will increase, bidding up the prices of all these economic goods.

There are indications that western industrial democracies in general may be entering a period of declining increase in both productivity and growth. Our expectations of rising standards of living will therefore have to keep step with economic performance. These and other challenges will tax our skills and our ability as Canadians to seek the common good of society and co-operate toward its realization.

Hon. members will note in this paper that an essential theme that emerges is the necessity to increase both the reliance on and the effectiveness of the market system as it operates in the Canadian economy. The interplay of dynamic forces that results from an effective market system and has led to continuing economic growth must be encouraged. The role of government policy therefore cannot be to direct and manage the economy in detail. This not only would threaten growth, but could result in a government presence that intrudes too much in the daily lives of Canadians.

Mr. Stevens: It already has intruded too much.

Mr. Macdonald (Rosedale): At the same time this government has no intention of participating in or permitting a dismantling of the socially progressive society Canadians have built in this country. It will therefore be necessary to devise means of assisting the market place to serve fully the social goals and aspirations of Canadians. This may require policies to improve the operation of the market economy. Such policies must be developed and managed in a way that allows governments to fulfil their responsibilities with less rather than more direct intervention in the economic system. Such policies must

provide effective alternatives to increasing public expenditures and expanding public bureaucracy.

In this paper we have indicated a middle role for government. That means that we are looking to the other groups with power in the economy to join with us in the formulation of policy alternatives and to take upon themselves some of the responsibility for the achievement of our society's goals.

This will require a closer degree of consultation than we have undertaken to date, without eroding the powers of parliament and the responsibility parliament vests in government for ultimate decision-making. An approach of this nature could enable us to attain our economic and social goals while maintaining the maximum freedom from interference and freedom of initiative. Perhaps I may call it one o'clock.

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Macdonald (Rosedale): Mr. Speaker, when the House rose at one o'clock I had indicated to the House the government's approach to the post-controls period, and put before the members a suggested agenda for consultation to deal with the economic problems we now face and will face through into the decade of the eighties.

As I mentioned, this is also an appropriate time, on the first anniversary of the anti-inflation program, to speak as well about that first year and to pose the question, "Where do we stand after the first year of the program?" I suppose that the most direct response, the ultimate measurement by which inflation has always been gauged in this House, is the consumer price index. On that criteria, the year's review gives some ground for optimism.

Statistics for October are, of course, not yet available. In September, the inflation rate in Canada, on a national basis, was 6.5 per cent. Last year, in October, when the anti-inflation program was introduced, it was at the level of 10.6 per cent.

While that 6.5 per cent rate is still higher than is sustainable over an extended period of time, it represents the fourth best inflation performance within the OECD nations and, of course, is a considerable relief from the double-digit inflation we had been experiencing for nearly 18 months prior to October, 1975.

What, then, is behind that general aggregate? Where have the decreases occurred? The most dramatic decrease, of course, has occurred in food. That is partly because of a dramatic drop in the costs of certain meats, because of a drop in the cost of grains and, over the current summer, because of a drop in the price of fresh vegetables.

It may be argued that those declines, welcome as they are to the consumer, owe no particular credit to the anti-inflation program. To the extent that food costs to the consumer are represented by prices at the farm gate, that is correct. However, as we have often heard in this House, as a result of the work of the Food Prices Review Board, and what now seems to be forgotten, is that up to 60 per cent of the cost which the consumer pays for his food arises from the costs of transportation, processing and distribution of food products. It is these additional costs, transportation, processing and distribution, which have been under the control of the anti-inflation program, and those controls have made certain that the lower farm gate costs have been passed on to the consumer.

Looking at other goods excluding food, we have seen an encouraging decline in the rate of increase. It is in the cost of services, most of which are beyond the control of the anti-inflation program, where dramatic rates of increase are still occurring. In September this rate of increase was 12.3 per cent.

There are certain price increases which we anticipated would find their way into the consumer price index this month. As part of our over-all energy policy we have to take account of higher prices for oil and natural gas. Because the junior levels of government, particularly municipalities, have had to face higher payments for the services of their employees, there have been higher levels of municipal taxes. In summary, then, the program has been effective. In those parts of the economy where controls have applied, they have been effective to restrain the rate of price increase.

What has happened to wage settlements during this period? First, let us cast our minds back to the bargaining atmosphere in late September and early October, 1975. People are inclined to forget the kind of wage claims that were then being pressed for. For example, 22,000 members of the Canadian Union of Postal Workers were looking for an immediate pay increase of 71 per cent and a 30-hour week. Ontario doctors were asking for an increase of between 35 and 40 per cent. Alberta doctors were asking for an increase of 40 per cent. British Columbia bakery workers, meat cutters and retail clerks were demanding immediate increases ranging from 38.6 to 76 per cent. Ontario high school teachers were looking for 43.9 per cent, plus a full cost of living allowance and a $720 lump sum payment. Construction tradesmen in various localities in Ontario demanded increases in wage and fringe benefits ranging between 43 and 96 per cent in a two-year contract.

In other words, let us recall that because of the experience with inflation in the previous 18-month period, there had been these wildly inflated wage claims that were being put forward at the time the controls were put into effect.

What has been happening to compensation increases, wage settlements in particular, in the period of the program? One area of comparison may be made between the average increases in the second quarter of 1976 as reported by Labour Canada, where the rate was down to 13.4 per cent, compared with an average rate of 21.8 per cent in the nine months of 1975 which preceded the introduction of the program. That is

a rate which does not yet reflect the impact of all anti-inflation roll-backs. Despite the slowing down of nominal wage increases, there have been significant gains in real earnings, in the order of 3.6 per cent for the last three months, over the same period a year ago. Labour income increased by 16.4 per cent between the first half of 1975 and the corresponding period of 1976. The labour share of the gross national product has been sustained at the record level of 56.6 per cent. Therefore, the working man and woman gained in real terms as a result of the anti-inflation program.

It is true that because of wage roll-backs by the Anti-Inflation Board, exceptional rates of increase going beyond the necessities of inflation have not been permitted. But those who previously had not had an opportunity to catch up with the work force as a whole have been permitted to do so, while others who had favourable settlements before the program have at least been able to hold themselves even with the rate of inflation during the past year and achieved some real gain.

At this point, and in light of those particular figures, one must ask, "Why a national day of protest?" Mr. Speaker, it will be clear from the foregoing that the protest is not related to any real disadvantage that the worker has suffered. The problem with the national day of protest is the leadership of some of the national trade unions, rather than their membership. I am confident, today, that there are many workers who will support the so-called day of protest more out of loyalty to their trade union affiliation than from any real sense of grievance arising from the anti-inflation program.

• (1410)

An hon. Member: Tell that to the guy whose wages have been cut.

Mr. Macdonald (Rosedale): Mr. Speaker, let me tell the hon. gentleman this. Recently there has been a lot of talk about polls, and I was therefore interested in the following poll that appeared in the October 6 issue of the Toronto *Star* in which the question was asked, "Is the Canadian Labour Congress acting in a responsible manner in calling for a national day of protest?" A decisive 62 per cent answered no to that question, another 13 per cent said they did not know if the CLC executive was being responsible, and only 25 per cent said yes.

Hon. members opposite say that they represent union members here in this House and that the leadership of the CLC represents union members. What was even more significant about this poll was that 58 per cent of union households said that the CLC leadership was being irresponsible in holding a national day of protest. Another 10 per cent of union households said that they did not know whether the CLC leadership was being responsible or not, and only 32 per cent were prepared to support the leadership of the Canadian Labour Congress.

Indeed, criticism of the CLC leadership has not been confined to the rank and file. We have seen the remarks of Mr. Donald Secord, of the 40,000 member Canadian Brotherhood of Railway, Transport and General Workers, criticizing the approach of labour leadership to negotiations and advocating a greater sense of responsibility in maintaining the stability of our economy.

The CLC have legitimate views to express concerning the Canadian economy, and they have important interests to defend. But a vocal minority within that organization appears to be seeking to build a base from which they can dictate terms to the rest of the Canadian people. They are demanding that certain of the decision-making powers which are entrusted to parliament be delegated to an extra-parliamentary body. While they suggest that this body report to parliament through a minister, they still wish to be able to have power to direct investment into certain channels and to have undefined authority over labour markets and pricing decisions without referring to parliament on specific decisions.

The CLC has today chosen an extra-parliamentary route to make its protest heard or its power felt. It seems to be demonstrating an increasing preference for the extra-parliamentary approach. I suggest that as it does so it will find an even further declining response to its methods from the Canadian people. This government is on record as favouring a continuing and increasing dialogue and exchange of views with organized labour. Indeed, we are willing to explore the modalities of increasing and more effective consultations on the economy with labour, business and other groups, as I have already said. But those who seek to use the problems of our economy to challenge the authority of our political institutions will find no encouragement in their objectives from this side of the House at least.

To be balanced, let us take a look at the other side of the equation. What has been the business experience during the period of the program? There is no doubt about the fact that during this period corporate profits have been under a squeeze. In the first half of 1976 they were up only 5.5 per cent from the first half of 1975, and the share of profits in the gross national product has fallen over the period from 11.3 to 10.3 per cent.

The role of the anti-inflation program in the restraint of higher profits has been important. About 100 firms have been required by the board to return to the public excess revenues gained during the first period of the program. A thousand price prenotification cases have been referred to the board and the full details of these particular cases will be laid before the House when the board makes its report, as it is required to do under the statute.

As the House knows, at budget time I announced the intention to introduce some changes to the price and profit rules under the anti-inflation program, and for this purpose draft regulations were put out for consultation with those affected. There was an extensive program of consultation throughout the summer, as a result of which the government has confirmed its intention to remain with the basic elements of the guidelines, namely, holding corporate profits back to 85 per cent of the net profit margin in the base year, but permitting by way of an investment credit additional revenue

where there have been productive investments by a particular firm.

There has been a great deal of talk in the business press and by some business leaders alleging that the anti-inflation program is the cause for the relatively low level of business investment during the current fiscal year. There are really three rejoinders to that observation. In the first place, most major business investment does not look for a total pay-out in the first two years during the life of an investment, and hence would be hardly deterred by a temporary program. Secondly, at this stage in the economic cycle, and with a very substantial degree of unutilized capacity still in the economy, it is not surprising that at the moment additional capital investment is not being put in place. But even apart from those two factors in the Canadian economy, cognizance should be taken of the fact that investment as a whole is not strong throughout the developed world.

I should like to refer the House to the conclusions of *Business Week*. In this regard it observes:

> The world's key economies may be exhibiting the outward signs of recovery, but the growth of capital spending—which should be rising with the recovery—is extraordinarily sluggish.

The article goes on:

> Capital spending is lagging behind growth in all the big industrial economies. In the U.S., money is again available in the capital markets. But capital spending is making its slowest post-war comeback from recession.

I would just repeat again to business leadership what I have had to say outside the House, namely, that they and their shareholders stand to gain as much from defeating inflation in Canada as anyone of the rest of us. Purely negative opposition to the anti-inflation program, whether by the Canadian Labour Congress or the Canadian Chamber of Commerce, is shortsighted and against their best interests. As we turn into 1977, what all intelligent management should be looking to is the need for additional capacity and the opportunity during that year to initiate projects in favourable economic terms, rather than postponing those kinds of decisions, lest we find ourselves again with spiralling costs of the kind we had in 1973-1974.

As a postscript to this review of the controls program, I recently had the opportunity to meet my counterparts from other nations at the International Monetary Fund meeting in Manila. The primary area of concern among developed countries was the need to control the high rates of inflation being experienced in all but a few of them.

The success we have had in lowering the rate of inflation, limited through it is to date, has caused certain individuals to declare that in their view the time has come to drop the controls program and leave it to the marketplace to bring inflation still lower. They cite the relative slack in current market conditions as being adequate to work against excessive wage and price increases. No one would be happier than I, as Minister of Finance, to be rid of the burden of controls at this time. But I am not convinced that market conditions on their own would be sufficient to lead to a continuation in the decline of inflation. Those who advocate the early termination of controls have failed to give any reason why, in the absence of the kind of national consensus to which I have referred, the rate of inflation should drop in Canada.

In conclusion, I think we should observe that while, of course, the traditional instruments of fiscal and monetary policy would have been available to control inflation in Canada, by using controls to bring down the rate of inflation we have been able to avoid the massive unemployment that would have been generated had we attempted to achieve the same price target relying solely on those two particular fiscal and monetary instruments.

● (1420)

But controls cannot be a permanent part of our economic system. We still have to rely on continued restraint on fiscal and monetary policy, restraint that has already been in effect this year. We have cut government expenditure and we are committed to holding its increase to no more than the rise in the gross national product. The Bank of Canada, with our full support, has announced new monetary targets for growth in the money supply that will decline with the rate of inflation. We cannot be certain at this time as to the outcome of world inflationary forces in the months to come. But one thing we can decide is that we as Canadians should moderate our own demands on the economy so as to make certain that the inflationary forces are not further revived in this country.

The preference of myself and this government is to achieve that kind of objective by consensus, and it is that consensus we are seeking in the consultations I have referred to, for which the documents I have tabled today are the basis. Until we can arrive at some effective agreement of that kind, and so long as we can be certain that the impact of the program is not creating economic distortions that will work against the interest of the economy as a whole, a controls program of the kind we have put forward, we feel can and must be carried through to effectiveness, and in this we continue to seek the support of the Canadian people and members of this House.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, in the more than 19 years I have served as a member of parliament from the province of Nova Scotia, I have been privileged to speak in the throne speech debate and I therefore welcome the opportunity to comment on the proposals put forth by the government at this time.

I would first like to congratulate the mover and seconder of the address, the newly appointed cabinet ministers, as well as those who have been newly appointed as parliamentary secretaries. I look forward to working with them during the balance of this parliament.

If we look carefully over the doors of the Speaker's chamber in the other place we will see a number of inscriptions in Latin. One of these quotes ins from Cicero, and translated it means, "Let reason prevail with me, more than popular opinion". I would recommend that the Prime Minister (Mr. Trudeau) and his governnment give serious thought to the sound reasoning contained in those words. Unfortunately, it would appear, after

reading the Prime Minister's statements, that reason no longer prevails among him and his colleagues and, of course, Mr. Gallup has indicated that this administration no longer enjoys the popular support of a vast majority of Canadians.

Apparently, this fact has finally seeped through the vast bureaucratic buffer, built at great public expense, which surrounds the Prime Minister and his cabinet. It has been interesting to the Canadian people to note the Prime Minister's reaction. At first there was disbelief, then frustration, then annoyance over what the Prime Minister construed as the stupidity of many Canadians who, despite an army of bureaucrats, consultants and public relations men, were seemingly unaware of the benefits provided them by this government. "We will soon fix that," said the Prime Minister. "We will take more than $1 million of the taxpayers' money and in this year of restraint we will run some ads in all the newspapers from the Atlantic to the Pacific".

"What shall we say?" asked his supporters. I presume the Prime Minister told them something like this, "Run the ads and say Pierre Trudeau practised his judo while eating his humble pie; he put in his thumb and pulled out a plum and said, 'What a good guy am I' ".

In light of recent political visits to Atlantic Canada and elsewhere in this country, as well as recent events in this splintered cabinet, the Prime Minister may well feel like emulating Dean Martin who goes around singing, "Everybody loves somebody some time; why don't you fall in love with me somehow?" However, the Prime Minister's fall love fest is as divisive as it is expensive.

In fact, one of the most misleading statements recently made by the Prime Minister is reported in the headlines of the Halifax *Chronicle-Herald* of October 4, in which he stated, "Time is running out for the Liberals" and that Canada was in danger of breaking up over bilingualism. That statement reminded me of headlines I read one time when I was in the United Kingdom. They read, "Gales lash British coast—continent is isolated". It was not the continent that was isolated at that time, and it is not Canada that is in danger of breaking up over bilingualism. It is the Liberal ship of state which is in danger of breaking up, not on the rocks of bilingualism but on the shoals of faulty economic policies.

I suggest to you, sir, that it took real experts to make a complete mess of one of the world's richest economies. We insult our friends south of the border with our policies on communications, trade, national defence, finance, and external affairs, to name but a few. Then we wonder why they do not come up to visit us during the tourist season. We neglect our resources, and then we wonder why we are short of such necessities as electrical energy, oil and natural gas. We ignore our customers, and we wonder why they no longer buy our goods which are no longer competitive in world markets or competitive in our own. We define Canada as the thickly-settled areas of Quebec and Ontario, and then we wonder why our national policies almost never work.

I say to you, sir, that this government has honed the art of evasion and delay until it is razor sharp. The government has established the survey and the study as the normal substitute for action and decision. Regionalism and bilingualism are nothing more than symptoms of a fed-up feeling by the average Canadian with the central government which is not legislating in the best interests of Canada.

This administration has endeavoured to choke off every effort by the individual citizen or by the people of a region to develop their full potential. Private enterprise has been systematically destroyed, and today we have the absurd situation in this nation of a flight of capital from our country, at a time when our nation is desperately in need of investment capital.

I say to the Prime Minister that his present-day wearing of sackcloth and ashes comes too late to undo the chaos brought about by his blind hopes, his exhortations, his incantations, his studies in depth and his sweeping theories. They have brought about a steady decline in living standards, a steady rise in living costs and a constant sharpening of the cleavage which exists between regions and between interests within a region.

I would remind the Prime Minister and this government that they cannot, by order in council, make everyone wealthy. They cannot legislate prosperity. If this were possible, it would have been done long before any members who are presently sitting in this House were born. The only way Canadians can enjoy a better way of life and a higher standard of living is through increased productivity. This is not only possible but it is absolutely essential in a growing nation like Canada, and it is long past the time that we should get on with the job of increasing our productivity.

The Prime Minister is reported as stating, in Toronto, "The Liberals are out of touch with a large section of the grass roots—especially west of the Manitoba-Ontario border". His recent tours of Atlantic Canada should indicate, even to him, that he is out of touch with the people in our provinces. There is no better way to learn the problems of a region than by at least listening to members of parliament, who collectively represent all of Canada, which I believe is what democracy is all about.

● (1430)

In the time remaining to me, I hope to alert the Prime Minister and his government to some of the problems affecting my province and my constituency, and I hope my suggestions for improving these conditions will receive at least some consideration by this government.

The problems facing Atlantic Canada, and Nova Scotia in particular, are many and varied. It is difficult to classify one as being more important than another, but one of the main problems facing Nova Scotians at present is the high cost of electrical energy and the fact that it is projected shortly to increase by some 65 per cent without any relief in sight from the federal or the provincial governments. It is true that the Minister of Energy, Mines and Resources (Mr. Gillespie) recently issued a new "Energy Strategy for Canada", but its broad outlines barely touched the Atlantic provinces and their power potential. After reading his policy, I could not help but feel the minister is obsessed with oil, that he is ready to allow

petroleum prices to rise to world market prices, and that he is satisfied to let the people of my area pay increases of some 25 cents a gallon within the next two years.

He mentioned electricity in its nuclear and coal-fired forms, but he steered clear of what I believe to be one of the greatest sources of power in Canada, namely, the development of the tides of the Bay of Fundy. On page 103, under the title "Renewable Energy Resources", he states:

> The potential for general application of such resources as solar, wind, geothermal, biomass and tidal power has yet to be evaluated properly in a Canadian context.

So much for tidal power, but it was ever thus! Nobody wants Fundy power except the people; therefore it gets no consideration by Ottawa's planners. If the minister knew that a $3 million study had just been undertaken on tidal power, another in a long list of studies, he gave no indication of it. His desire for oil production and conservation left him far afield. I therefore feel it necessary this afternoon to remind him that by establishing Fundy power he would save Canada billions of barrels of oil. The output of Fundy tidal power has been estimated at 87 billion kilowatt hours a year. It would take 125 million barrels of oil to equal that production. Ten billion barrels of oil conserved for other uses over 75 years; that is what the minister failed to say.

These are mind-boggling figures, but the experts in tidal power confirm them. In light of present-day needs, to say nothing of future requirements, it is therefore difficult for me to understand why Fundy power still has no priority in federal government policy, and unfortunately there is no indication in the throne speech that action will be taken on this vitally important matter. Evidently the old fears still exist that developments in Atlantic Canada could provide competition for central Canada. There is apparently a belief among the members of this government that a tidal power project would bring the natural north-south lines of economic co-operation closer; that the captive market—which Atlantic Canada has been to central Canada for generations—would begin to burst its bonds. Obviously, this government prefers to see the maritimes and Newfoundland exist as second-class provinces, with their people dependent on its doles and hand-outs, rather than help them move forward to economic and social maturity, which was the promise of confederation.

The Atlantic provinces, and this nation, need Fundy power for a number of reasons. For example, there has been a tremendous rise in the cost of thermal fuels. There is a growing fear of possible thermal and nuclear pollution. There are new techniques which can spread tidal power over to the peak periods in which it is most needed. There is an extensive market south of the border for energy. There is a huge saving of scarce and expensive oil to be gained by a mobile nation. We should be using Fundy tides to produce electricity, and oil to turn the wheels of transportation. There is an opportunity to improve our infrastructure, to correct our chronic unemployment problem, for I say that industry will always move to a location where there is a large and constant source of power.

[Mr. Crouse.]

There are other arguments for Fundy. The need for electrical energy in our area is expected to double within the next eight years, and every source of energy will be required. Fundy's tides can go a long way toward meeting Atlantic Canada's needs. The development of Fundy is too important for interprovincial and federal-provincial bickering. It has to be a political decision, like the decision to build the St. Lawrence Seaway, or the decision to help repay the $2 billion deficit of the Olympics. In fact, the feasibility of tidal power development in the Bay of Fundy was studied and reported upon in 1969 by a board having representation from New Brunswick, Nova Scotia and the federal government, and the total capital cost of the three sites at that time was listed at $2 billion, which is the same amount as our Olympics deficit and only half the amount of the funds to be set aside by the federal government and by industry this year to take care of unemployment in Canada, a figure which amounts to something like $4 billion.

I say to this House, however, that the development of Fundy tides will not be an expenditure but, rather, an investment which will repay its investors a hundredfold in vast power production, part of which can be sold at a profit and, best of all, in conservation of Canada's vital oil supplies which everyone knows will not last forever.

Let us put our unemployed to work, not next month or next year, but today, building Fundy power plants. Where shall we begin? Feasibility studies show that an installed generating capacity of 8,828 megawatts—and one megawatt equals 1,000 kilowatts—could be obtained if Shepody Bay, Cumberland Basin and Cobequid Bay were all developed to the fullest extent that modern day technology allows.

This massive outfit of power can be placed in perspective when it is equated with the installed generating capacity of each province around the Bay of Fundy which totals some 3,600 megawatts, or less than half the generating capacity of the proposed three sites. However, the studies have only covered three sites, at a proposed cost of $2 billion, which seems to have paralysed this government into inaction.

Their attitude seems to be that if it is too big for them to handle, they will do nothing, or, "If we cannot do the big things, let us not do anything". I submit to this House that there is a fourth site, with the dam already constructed and with control gates looking after the flow of water in and out at every change of tide. This site exists at the causeway between Annapolis Royal and Granville Ferry and there is a sufficient flow of water through this causeway which could, when harnessed to generators, provide electricity to a large part of western Nova Scotia. With very little additional cost, generators could be installed at the present site without interferring with highway traffic, for the causeway could fulfil both functions. An estimated $1 million would provide sufficient generators to at least set up a test plant at this site, and since this government seems to have no difficulty in finding a million dollars to shore up its failing image, I would ask that this amount be made available to the Nova Scotia government

immediately toward a test plant on the Annapolis River causeway.

Since Nova Scotia is also considering the construction of its first wood-burning plant for the generation of electricity, which indicates the depth of our need, I would also ask that the federal Department of Energy, Mines and Resources assist my province in carrying out a study of all the possible sources of electricity which could be generated on our rivers. I believe that the Mersey River, for example, in Queens County, could provide more electricity for our area, and the beautiful falls at Milton are, in effect, at present wasted energy. At one time electricity generated from a power dam on the Petite Riviere looked after the electricity needs of Bridgewater. Another power dam at Mahone Bay looked after that town's electricity needs along with Lunenberg. In light of Nova Scotia's soaring electricity costs, I believe we must immediately examine the possibility of harnessing the power available to us on all our rivers, power which will not materially escalate in cost once it is developed and which will not use up our non-renewable reserves of coal and oil. Let us get on with this job immediately.

● (1440)

I have dealt with this issue at some length due to its importance in Atlantic Canada, as well as the fact that the increased energy cost is having a marked effect on another very important problem in our area, namely, transportation. The former minister of transport described the problem very well, if not in a very complimentary way to himself, when he said that transport is in a mess. I agree with his assessment. Today it is in a mess that has reached crisis proportions.

I am glad that the Minister of Transport (Mr. Lang) is here, because I intend to deal rather extensively with the problems that are faced by his department. Part of the present problem is brought about by the fact that the railroads, which should provide a national service to all parts of the country at equal cost, are in effect providing a regional service at competitive cost only in the heavily-settled areas of Canada while being required by this government to provide service in Atlantic Canada, for example, on a user pay basis. This concept could put our farmers, our fishermen and fish processors, our lumber producers and other industries out of business.

This is not a cliché or a statement made off the cuff. This fact was made quite evident at the transport hearings in Caledonia, Queens County, on September 14 when transport officials were told that the termination of freight service between Caledonia and New Germany would put two large lumber dealers out of business, directly affecting the employment of 70 people and indirectly affecting the whole community. Because Atlantic Canada is a geographical extremity of our nation, we have a greater need for an efficient transportation system than any other part of the country. In light of increasing costs of air and automobile transportation, we should be taking steps now to improve our railway system. Unfortunately, however, I get the impression that this government since 1968 has had a national policy which has brought about a gradual elimination of the passenger rail service, while at the same time forcing up freight rates to the detriment of business in the geographical extremities of Canada.

Our railroads are the only mode of transportation made responsible for all costs, while at the same time they are charged with the responsibility of providing service to areas of the country where alternate forms of transportation do not exist. This places management in a very unfair position, and obviously they cannot carry out these two conflicting duties without being granted federal funds toward capital improvements which would increase efficiency.

Government supporters will undoubtedly ask, "Where will you get the funds?" No one seemed concerned when the government was talking about a new airport for Toronto which would have destroyed valuable farm land, at an estimated total cost of $2 billion. The government spent $157 million for a parking garage at Toronto's terminal two, and $90 million for road improvements to serve Mirabel airport in Quebec, to say nothing of the $440 million which was spent on Mirabel which now is referred to as the greatest white elephant in Canada. The government has on its drawing boards, at a cost of something like $250 million, a plan to provide rapid transit service between Mirabel and Montreal. Where is the user pay concept brought into play when you are talking of making these expenditures, and where do you plan to get this money? Our railroads are still the cheapest means of transporting large numbers of people or heavy loads of freight or machinery over great distances, and they will become more important as fuel costs escalate and fuel is in short supply.

They must be placed in a similar competitive position with other modes of transportation. At present, sufficient funds are not being provided in order to make this possible, and this can only be described as a penny wise and pound foolish policy. The value of our railroads was all too evident only a few months ago when air service was terminated as the result of a strike. The trains were filled with passengers from here to Montreal and reservations to Halifax from Ottawa were impossible to obtain. In my opinion, it is a national folly to let this service deteriorate when it is obviously so important to the well-being of Canadians. It would be interesting to see the response of the travelling public to a new turbo or light, rapid, comfortable train service over tracks from Montreal, through Maine to Saint John, Moncton, Amherst and Halifax. The trip would only take a day, thereby eliminating the need for sleeping accommodation, and it could be provided at an attractive price.

I believe the time has come for a reassessment of our transportation problems and for a new list of spending priorities as they apply to our railroads. Regional as well as national interests must be paramount in any transportation policy. It would also be advisable to consider using electricity as the motive power for our trains. This concept has been adopted with great success throughout Europe for many years. Incidentally, this would be a further use for Fundy power.

After serving for two years as chairman of the Public Accounts Committee, I could not help but come to the conclu-

sion that this government needs a new list of spending priorities. The money for investment which would develop our country and improve our infrastructure is available, but it must be funnelled into the proper channels.

Finally, I wish to deal with some of the fishing problems as they relate to Atlantic Canada. Quite frankly, these problems are many and complex and they are not necessarily related simply to the supply of fish. After attending a seminar at the Nova Scotia Fisheries Exhibition in September, I could not help but come to the conclusion, after listening to fishermen, processors, industry representatives and officials of the Department of Fisheries, that every aspect of this industry, from the ocean to the ship to the processing plant to the wholesaler to the retailer, was in need of attention.

In my view, extending the Canadian territorial limit to 200 miles, as is proposed in the Speech from the Throne, will not by itself restore the industry to health. Rather, this action, although desirable and in fact essential, will only attack one problem among many, namely, that of continued supply. In fact, with both Canada and the United States adopting the 200-mile limit, a new set of problems has arisen. Here I refer to the ownership of Georges Bank, an area claimed by both Canada and the United States and an area that produces a large quantity of our groundfish catch and the bulk of our scallop catch which is one of our most valuable fisheries.

Mr. J. H. Warren, Canadian ambassador to the United States, described the over-all jurisdictional issue in a speech to the Rotary Club of Boston on September 15 as follows:

> The new era will involve fresh opportunities for and challenges to our bilateral relationship. We shall be challenged to demonstrate that coastal state management does not exclude effective international co-operation.

Negotiations with the United States over bilateral fisheries relations are expected to be protected and complex, a fact confirmed yesterday by the Secretary of State for External Affairs (Mr. Jamieson) in response to a question I put to him concerning this thorny problem. A similar problem has arisen with France, since St. Pierre and Miquelon are asserting their right to a corridor extending out to sea some 200 miles either as a free fishing area or as French waters. At present, the Atlantic coast provinces contain more than two-thirds of the people who work in the fishing industries. In these areas, as a general rule, with some minor exceptions in certain areas, the more a community depends on fishing, the lower its average income tends to be.

A major problem for Canada's fisheries, especially in Atlantic Canada, is stock depletion brought about by overfishing. Foreign fleets, especially those of the U.S.S.R., are generally held to be largely responsible for this depletion. Since 1949 the International Commission for the Northwest Atlantic Fisheries, ICNAF for short, has set the total allowable catches, or TACs, and allocated quotas to member nations. Clearly, the regulating effort of ICNAF has not succeeded in its purpose of regulating fish stocks in the northwest Atlantic, for many stocks, especially our groundfish stocks, are badly depleted. It is this situation, in light of the failure of successive sessions of the Law of the Sea conferences, that has brought about the promised unilateral declaration by Canada of a 200-mile limit.

● (1450)

This government, of course, must share some of the blame for the depletion of our stocks. It has dillied and dallied over the years, holding out like a carrot on a stick the promise of doing something for our fisherman. It has been the government's delays over the years in implementing the 200-mile limit which have brought about the present situation, and it will take years for our fish stocks to improve to a point where there will be beneficial improvement in Canadian catches.

One problem which concerns me, as well as the fishermen and processors, is the amount of fish declared surplus to our needs by bureaucrats when negotiating fishing treaties with foreign countries, without an adequate scientific study on which to base these figures. To talk of fish surplus to our needs only indicates the lack of knowledge of the government about Canada's fishing capacity. In fact, the Canadian offshore and inshore fleets presently have the capability of catching the entire allowable catch of all the traditional groundfish stocks, with the exception of the Hamilton Bank cod stock. This is especially true when we keep in mind the reduced total allowable catch which will be necessary in order to rebuild the stocks.

In my view, this is simply another area in which there is inadequate consultation among the federal and provincial governments. There should be discussions and consultations among all provincial fisheries ministers and the federal government before any agreements giving away our fish stocks are signed with foreign nations. Our provincial fisheries ministers are closer to the scene; they are aware of the problems, and their advice and guidance would be most helpful to the government. I submit this type of advice and counsel is more important today than ever before.

I also believe that in order to develop a sound management scheme for our fisheries, consideration should be given to such factors as the time of the year when fish can be most efficiently caught, and here the fishermen's knowledge should be utilized. Consideration should also be given to the seasonal variations in the quality of fish, as well as other biological factors relating to the spawning period. We cannot continue in our old ways and habits if we are serious in our intention to rebuild our fisheries resources, and this applies to all ships licensed to fish on our banks, whether they be Canadian or ships of other nations.

In conclusion, in order to clear up our difficulties with the United States in the Georges Bank area, as well as in other areas, we should establish, after consultation, a joint management fisheries commission to manage fish stocks in all Canada-U.S. boundary areas. These suggestions will not by any means solve all our fisheries problems, but unless the 200-mile limit, when established, brings greater economic benefit to all Canadian fishermen, the whole exercise will be merely a mirage and a delusion. The throne speech barely mentions Canadian fishermen, and in light of the lack of leadership

given by this government on many of the problems I have outlined, I welcome the opportunity to support my leader's motion of no confidence in this administration.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF POLISH MINISTER OF FORESTRY AND WOOD PROCESSING INDUSTRIES

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I rise on a point of order. I would like to inform the House that we have in Mr. Speaker's gallery the Minister of Forestry and Wood Processing Industries of Poland, the hon. Mr. Tadeusz Skwirzynski, and I would like hon. members to welcome him.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Although I do recognize that hon. members are always happy to welcome guests in the gallery, I might remind the minister that this is not the proper procedure and this should not be taken as a precedent as to the time when this should be done.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Harquail for an Address to His Excellency the Governor General in reply to his speech at the opening of the session, the amendment thereto of Mr. Clark (p. 28) and the subamendment of Mr. Broadbent (p. 37).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in 1972 and 1973 when the Progressive Conservative Party began to propose its 90-day wage and price freeze program to deal with the problem of increasing inflation, we opposed that plan.

Mr. Paproski: Your leader did not.

Mr. Orlikow: We said then that the program would not work and that it would be inequitable if it was tried.

Mr. Friesen: Schreyer liked it.

Mr. Orlikow: The Prime Minister (Mr. Trudeau) opposed that suggestion, fought an election on that issue and won by promising the Canadian people that he would not impose wage and price controls, because he said they would not work. Having won the election, he then, in a very few months, adopted essentially the Conservative program.

Mr. Paproski: What about Schreyer?

Mr. Orlikow: I will come to the premier of Manitoba in a little while.

Mrs. Holt: The Prime Minister said there were contingency plans.

Mr. Orlikow: We opposed the anti-inflation program of the government in 1975 because we said, as the Prime Minister has said, that inflation could not be dealt with by wage controls, that price controls would not work and that the program would not be equitable. The events of the last year have demonstrated the validity of the arguments we used in opposing the program.

We have never opposed a genuine incomes policy. A party like ours, which believes in democratic socialism and which works in the same spirit as the social democratic government of West Germany and as the socialist government of Sweden did for more than 40 years—

Mr. Paproski: They went down the tube.

Mr. Orlikow: —did not oppose, and does not oppose a genuine incomes policy which would treat all Canadian citizens fairly, which would not discriminate against the poor and benefit the rich, as the present program does. Let me give just a few illustrations of what I mean when I say that. In the constituency of St. Boniface, which is represented by my friend, the hon. member for St. Boniface (Mr. Guay), the large hospital there recently concluded an agreement with its workers which provided for a 16 per cent increase. The lowest rate for unskilled workers at that hospital was the magnificent sum of $3.06 per hour. That works out to just over 6,000 per year, just barely over the poverty level. What did the Anti-Inflation Board, helped by the administrator, do? It rolled that increase back to 8 per cent, so that these people, of whom there are hundreds, will in fact live with an income which has been described by the Economic Council and by Senator Croll—certainly no flaming radical—as being in a state of poverty.

The workers in the Cyprus-Anvil mine at Faro, in the Yukon, about whom the hon. member for Vancouver South (Mr. Fraser) spoke this morning, have been on strike for months despite the fact that they reached agreement with their company, because of the stupidity of the Anti-Inflation Board and the administrator in not facing up to the reality that unless the workers get that increase they will not stay in the Yukon, they will move to Sudbury, to Thompson or to Sault Ste. Marie. Within a year that mine will be virtually closed because nobody will want to work there at the rates of pay which the AIB has imposed. That is what has happened to ordinary workers as a result of the program.

Let us look at the other end, at how the government and the AIB has dealt with people in the upper income brackets. I am sorry that the Minister of Finance (Mr. Macdonald) is not here. The hon. member for Edmonton Centre (Mr. Paproski) asked about the premier of Manitoba. Let me tell him something about the premier of Manitoba. He really believes in an incomes policy. He was naive enough to believe that this

Liberal government meant business. When it said that the increase which any individual could get last year would range from a minimum of $600 to a maximum of $2,400, the premier was naive enough, or foolish enough—whatever term you want to use—to believe that the government meant it and that it would apply to all Manitoban citizens, including the doctors.

● (1500)

But what happened when he tried to get the Anti-Inflation Board and the Minister of Finance to put that into operation? The premier of Manitoba believed that doctors are no better and no worse than the other citizens of Manitoba and that they should have to live under the same rules. Suddenly the chairman of the Anti-Inflation Board and the Minister of Finance disappeared from the scene and the premier of Manitoba received absolutely no co-operation. Indeed, he received opposition from the Liberal government and its stooge bureaucrats on the Anti-Inflation Board.

How can the government expect workers like the hospital workers in Winnipeg or Toronto, or the many other workers who are living on poor incomes, to believe it is serious, when they can pick up a recent issue of the *Financial Times* that indicates the incomes or salaries some of the senior officials of corporations in Canada are earning? Incidentally, Mr. Speaker, the only reason we have this information is that tax laws in the United States require that it be filed by companies whose stocks are traded on the American market.

Let us look at how hard done by some of the senior corporate executives are in this country. Last year, the income of the chief executive officer of Alcan Aluminium Ltd. was $235,000; the chief executive officer of Carling O'Keefe Ltd. was $164,000; the chief executive officer of Imperial Oil Ltd., one of those corporations which is crying that unless it gets better tax breaks it cannot continue to look for oil in this country, was $234,000.

Mr. Friesen: What about the UAW?

Mr. Orlikow: Massey-Ferguson Ltd.'s chief executive officer received $353,000.

Mr. Friesen: What about the Teamsters?

Mr. Orlikow: That is the kind of situation which exists, Mr. Speaker. It is no wonder that people in Canada simply do not believe that this program is working or that it is fair.

Let us look at the profits some corporations made in the last year. The Minister of Finance and the Prime Minister have said that the controls program put limits on corporations and they would have to make sacrifices like everybody else in this country. Let me put a few examples on the record. Cadillac Fairview Corp. Ltd.'s profits went from $13 million to almost $16½ million, an increase of 26.4 per cent. The Toronto *Star*, a great supporter of the government and a great supporter of the anti-inflation program for everybody but itself, went from just over $7 million to $9 million in 1976, an increase of 25 per cent. Of course, the Toronto *Star* likes having an increase of 25 per cent for itself, and it wants the government to see that its employees do not get a fair share of that increased profit.

Bell Canada, a company which has distinguished itself by asking for rate increases every year since I came to Ottawa as a member of parliament, saw its profits go from $114 million in 1975 to $148 million in 1976, an increase of 30 per cent in this year of controls.

Mr. Speaker, the controls program is not working. Despite what the Minister of Finance has said today, every poll taken shows conclusively that the public, by a large majority, believes it is not working and that it is being applied unfairly. The minister made a great deal of the fact that the consumer price index showed an increase of only 6½ per cent for the last year. But he ignored some very important facts and glided over some others. He admitted that to a large extent the reduction in the increasing rate of the cost of living is due to the fact that the cost of food has decreased. It has gone down despite the fact that food production is specifically omitted from those fields in which the Anti-Inflation Board can apply controls. It has gone down as a result of very good weather on the North American continent we have had bumper crops and this has led to reductions in the price of beef, pork and vegetables.

If you exclude food, you find some very interesting facts. The cost of housing went up by 11.2 per cent last year. That is not surprising when one realizes that interest rates on mortgages are at an all-time high and there is a tremendous shortage of housing. We are doing little to meet the needs of people in the lower and middle income brackets for housing. The cost of operating a house has gone up by 11.2 per cent. The cost of fuel and utilities went up by 20.4 per cent last year.

Those costs are just beginning to go up, because when we talk about an increase of 6.5 per cent for September—the figure which was announced a few days ago—we know, and the minister knows, I am sure, better than most members of parliament, that this is the first time the increase in the price of fuel has been calculated. The minister knows that by November the full increase which was permitted some weeks ago will show up, and he knows that the government has authorized another increase in the price of fuel in January.

The price of utilities has gone up. The Ontario Energy Board has recommended an increase in hydro rates for the coming year of 30 per cent. That is not the only reason the figure only shows 6½ per cent. The minister knows, or should know, that the increase in municipal taxes shows up in the cost of living figures only one a year, and the month it is taken into account is November. There has been a very sharp increase in municipal taxes in every city in Canada.

There is another important factor which is not shown at all in the consumer price index. That is the cost of health insurance. The reason it is not shown is that in every province the financing of health insurance is done in a different way. In some provinces it is done through premiums and in others it is paid for out of general tax revenue. That is how it is done in Manitoba. In the three largest provinces, British Columbia, Ontario and Quebec, health insurance premiums doubled in

the last year. I speak from memory, but I believe it has added in the neighbourhood of $100 or more to the cost of living for every family in those three provinces. That figure does not show up at all in the cost of living figures.

I say the cost of living increase for the year, by January or February, 1977, will not be the 6½ per cent about which the Minister of Finance and the Prime Minister were able to crow yesterday and today, but will in fact be in the neighbourhood of 8½ per cent. Indeed, although the Minister of Finance and the Prime Minister crow about a 6.5 per cent increase in the last year, the fact is that if one excludes food prices, the increase from September, 1975, to September 1976, was 9.3 per cent, compared with about 10.5 per cent for the same period in the preceding year. To say the least, gains have been minimal.

● (1510)

A good deal has been made today and in past months about the hostility of the labour movement, of trade unions, to the anti-inflation program and the controls program. For some time the labour movement was alone among the interested groups of this country in opposing the controls program implemented by the Liberal government. It is interesting to note that the Canadian Chamber of Commerce, which originally supported the anti-inflation program, has in the last few weeks opposed that program. This country has been governed by Liberal governments since 1963, and by the government led by our present Prime Minister since 1968. Why is the business community now opposed to the anti-inflation program? The reason is obvious: business is having it tough. It claims that this government is making it almost impossible for business to survive.

Let me read two paragraphs from a speech made by a former Liberal cabinet minister who is now a professor at McGill University, Eric Kierans. About a month ago he was addressing the Conference Board of Canada in Montreal and he told the board that business had never had it so good in this country. He gave two examples. I quote his first example:

> The Royal Bank of Canada was founded—in 1870 and by 1970, 100 years later, had accumulated $11.4 billion in assets. Five years later, i.e., 1975, these assets had risen to $25.2 billion, an increase of $13.8 billion or far more than the accumulation of the previous century.

I quote his second example as follows:

> The CPR was chartered in 1881 and had accumulated $2.3 billion in assets by 1970. Five years later, and after a consolidation of accounts, the CPR has assets of $6.2 billion. If the CPR is now looking south, it may be because of its size and finds no new worlds to conquer in Canada but not because Trudeau is a socialist who has prevented them from growing.

Why does the business community now oppose the controls program? It is not hard to see why, if one reads business magazines and newspapers. The government promised business that the Anti-Inflation Board would not create a new layer of bureaucracy. Although I have no precise figures in front of me, I knew we were told that the Anti-Inflation Board could do its work with fewer than 500 employees. I have not seen the most recent figures, but I am certain that the board now employs more than 1,000.

Further, it was said that the board would not interfere in the day to day decisions of business organizations. The facts are clear. Now decisions are not being made. Workers and companies find they must wait months, sometimes six months or more, for decisions concerning agreements concluded with regard to wages. Companies find that the rules are complicated, cumbersome and changing all the time. Instead of using their time to improve business, increase productivity and find new markets, business leaders must spend more time filling in forms and meeting the demands of the Anti-Inflation Board. The current issue of the *Financial Times* devotes a full page to the woes of business leaders. Apparently, when the program began middle management was given the responsibility for dealing with the Anti-Inflation Board; now business leaders themselves find it necessary to deal with the board. That is how they spend their time.

The business communities of West Germany, where a socialist democratic government is in power, and of Sweden, where a socialist democratic government has been in power for more than 40 years, can communicate better with their governments than can the business community in Canada. The reason has nothing to do with the philosophies of those foreign governments which espouse philosophies similar to those of the NDP. The reason is simple. In the two countries alluded to, where the social democrats are or were in power, and in Sweden they were in power for more than 40 years, business has to pay its fair share of the cost of operating the country; but business also knows the rules of the game, knows what it can do and what it can invest. This country's business community has turned against the anti-inflation program because it does not know how to operate under the new bureaucracy and the new regulations with which this government has saddled the country. They are not working.

I now come to one of the main reasons for the NDP's opposition to the whole concept of the anti-inflation program. It made no sense to us to dampen the expectations of the people of this country, given present circumstances. It made no sense to say to people of this country who wanted houses, "Well, there just isn't enough money: We cannot build them for you this year, next year or the year after." It made no sense to say to people who wanted a television set, "We can't build enough television sets," or to people in city cores who wanted old schools torn down and their children educated in modern, middle class schools like the ones built in the suburbs, "We can't build new schools; there isn't enough money." It made no sense to say this one year ago or two years ago.

Mr. Speaker, in recent times more than 7 per cent of this country's people have been unemployed. For 17 months we have had greater than 7 per cent unemployment. For months and months more than 700,000 people have been out of work. Given this government's policies, policies which it obviously intends to continue, it is very likely that more than 8 per cent of our work force will be unemployed this coming winter in January and February, 1977. Close to a million people in this country will be unemployed.

I, as a member from Manitoba where between 18,000 and 20,000 people were unemployed in recent months, or about 4.5 per cent of the work force, find it hard to understand why some hon. members are not more concerned about unemployment. For instance, the newly appointed Secretary of State for External Affairs (Mr. Jamieson) represents a constituency in Newfoundland where unemployment is running at almost 15 per cent. Nova Scotia is suffering from double-digit unemployment, at about 11 per cent. Unemployment in New Brunswick is running at about 12 per cent, and in Quebec at over 9 per cent. In Quebec, in August of this year, 234,000 were unemployed. The September figures, which were released several days ago, are even higher.

● (1520)

However, members representing those provinces do not seem at all concerned. Do they believe, as do some well paid media people and tenure professors in our universities, that many people do not want to work? Do they believe that unemployed wives are not really unemployed because their husbands are working, despite the fact that the only way they can buy a home and make mortgage payments is if both husband and wife work? Is that what they believe? We do not think so. We in this party believe that we can have full employment. We do not believe that except for the United States Canada must have the highest rate of unemployment of any industrialized western country. We are not alone in our belief that Canada can have full employment.

Senator Hubert Humphrey, who has had long experience as a United States senator and vice-president since 1948, introduced into the United States Senate a bill entitled the Humphrey-Hawkins bill. The objectives of that bill have been endorsed by the Democratic presidential candidate, Jimmy Carter. We believe, as Senator Humphrey believes with regard to the United States, that we can and should have full employment. It is the responsibility of the Canadian government to ensure that this is the case.

The record proves conclusively that the Liberal government does not believe that full employment is either possible or important. We in this party are prepared to make a national commitment to full employment. This should be done through legislation. A bill should be introduced setting out clearly and unequivocally a specific timetable for achieving full employment in this country.

We in this party propose that unemployment be reduced to 5 per cent nationally within one year, and to 3 per cent within two years. This can be achieved in Canada in the same way that Senator Humphrey believes it can be achieved in the United States. The Liberal government will not do that.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his time has expired. He may only continue with unanimous consent. Is there consent?

Some hon. Members: Agreed.

[Mr. Orlikow.]

Mr. Orlikow: We believe we can have full employment. We believe that employment can be meaningful. We do not accept what the Liberals have been proposing in recent years, alphabet soup projects such as LIP, LEAP and OFY which have been the main thrust of Liberal employment programs. We believe people want to work and will do so if given the opportunity. We are committed to that. The government's anti-inflation program as it has been developed over the past year goes in the other direction. Therefore, we are going to have even higher unemployment than we had before the program began.

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, I am pleased to join in this debate on the Speech from the Throne. I believe very strongly that the Prime Minister (Mr. Trudeau) has set before us a great challenge, one which the Canadian people might have expected and in all probability wanted. I will divide my speech into two sections. First, I wish to point out some of the specifics I see in the Speech from the Throne. Second, I want to indicate the inspirational way in which I feel it can have an effect on the Canadian people.

Before the Speech from the Throne I wrote to many of my constituents. I circulated among many people I know in business, labour unions and professional people and suggested that they write indicating to me what they, as Canadians, would like to see in the Speech from the Throne. I am pleased to say that these Canadians, being as responsible as ever, took the time to do that. Some sent a very short note. Some older people replied in plain ink on scribbling paper. Others with secretaries made four, five and six-page replies. They indicated what they would like to see in the Speech from the Throne. In looking over the speech, I discovered that it deals with the kinds of things they wrote to me about, indicating a response to the Canadian people.

A paramount issue in my constituency is national unity. Most people who wrote said that we need better understanding among French and English-speaking Canadians, but we must achieve formal constitutional independence and increase the effectiveness of training in both official languages in the shool systems across Canada. Those are three paramount thoughts on national unity in my constituency. They have been reflected in the Speech from the Throne.

My constituents wrote to me about equality of opportunity. They talked of a reduction of inflation, creating employment opportunities, practicing fiscal restraint, reducing growth in the public service, transferring some government activities to the private sector and, to increase trade, that we modify our industrial assistance programs. The poeple who wrote to me are ordinary citizens, not paid members of parliament. However, they said many things that were said in the Speech from the Throne.

They asked that we improve financial assistance to small business. In many cases when people talk about small business, they refer only to capital expenditure. Many small businessmen get loans from industrial banks, provincial governments or their own banks for capital expenditure. However, they often find they do not have the funds with which to purchase

the ingredients for the new products necessary to fill the orders they receive. They do not have the funds for ongoing expenditures. This is true of many small businesses in Canada. In the frozen food business, many small businesses have difficulty fulfilling contracts because they are unable to buy the necessary ingredients. In addition, it has been requested that the amount of paperwork to be completed by small businesses be reduced. For example, a small business with six employees might require the services of one or two employees just to complete government forms.

With regard to unemployment, my constituents wrote that there should be year-round job creation. They do not believe that the work ethic is dead. They do not accept the fact that Canadians are lazy. Often it is businesses, companies and others who utilize unemployment insurance for their own benefit, laying off people in order to achieve new methods.

Mr. Baker (Grenville-Carleton): Did you like the speech?

● (1530)

Mr. MacFarlane: It said that we should create jobs to supplement private sector activity, that we want retraining programs and a merger between the Unemployment Insurance Commission and Manpower. This has been said before, so I would not want the hon. member to think I liked the speech because it came only from the minds of great Liberals or the mind of a great Prime Minister.

An hon. Member: Is there such a thing?

Mr. MacFarlane: Sometimes a speech like this is the vehicle for the expression of the opinion of the Canadian people, and we have a Prime Minister who is becoming very expert in reflecting the opinion of the people.

So far as immigration is concerned, they are asking for some amendments that will further the cause of family reunification. We are all aware of sad cases, yet one of the things that Canadians still continue to ask is whether we are going to assist in the reunification of families. We have always done this, and they want to know whether we are going to continue to do it. Canadians have also indicated their concern for a balance to be struck between immigration and employment opportunities.

I could go on for pages talking about reflections on the Speech from the Throne, Mr. Speaker. In the field of labour-management relations people are asking about collective bargaining centres, about a greater rate of participation by plant workers, expanded labour education programs, a voluntary code of fair practices, a national institute to improve quality of life in the workplace, and establishing an industrial safety and health centre to identify and remove hazards. These are things that the people want this parliament to do. I do not suggest for a moment that the opposition parties will not, in their view, play a very strong role in the legislation that will finally come forward from the Speech from the Throne. Their amendments and suggestions, if for the good of the Canadian people, will certainly do much to mould the policies put forward by the government in the Speech from the Throne.

As for competitions policy, we should strengthen laws for mergers and monopolies and give protection against unfair freight rates. In the field of energy we should increase research and exploration. Other items include social policy, settling the land claims of our native peoples, increasing federal support for amateur sport, family law, external affairs, individual freedom and the role of government. These are all subjects about which ordinary Canadians have written in their letters.

One area where I might be critical is amateur sport. The government has indicated that there will be increased federal support. I will always say that this is not enough, that the support does not go far enough. I shall probably never be truly satisfied until we have a minister of sport. I do not accept a ministry of state for fitness and amateur sport, but at least this does provide a good plateau from which to start. We can then go forward up the ladder and do things properly in the long term. Those are the matters of substance in the Speech from the Throne.

I have often thought, as I have looked at this great country of ours, at this brave new world, at this Canada, that there must be an unusual and great destiny for us. Indeed, when I saw many of our youth fight in the last great conflicts for Canada, World War II and the Korean war, fighting for what they believed to be the cause of our free society, I thought that at some point we would harness all our human resources and move on to our destiny, which was to bring a new light and a new attitude to all the world.

South of us were the lands where the Statue of Liberty beckoned. These were the lands where they said, "Give us your poor, your hungry, your tired". These were the lands which for so long held hope for a tired, weary world. I remembered, in another generation, how my father had gone to fight the war to end wars, and how he had been so maimed. He came through it and brought a family through that terrible depression. I remembered living as a family of five in two rooms, and yet I once again remembered how my brother went to the army and my sister to the navy, I myself to the air force, and came through a second great conflict. My hope continually was that this present youth, this present generation, would really not go to war and therefore would end war where my father had failed, where I had failed and my brother and sister had failed.

This must be the destiny of Canada, I thought. Surely this new world had a destiny to bring to the entire universe as we went to the moon and looked back at the earth, a feeling of hope, a feeling of greatness for the future. To my surprise, it seemed as though a destiny had been broken off, not just interrupted but broken off. It seemed as though we had become involved in wars which some people said were none of our business.

It seems as though we had lived in a land of luxury and were no longer interested in other human beings. We had become self-satisfied and we ourselves were all that counted in this tired world. We were taking back our invitation to the poor

and the hungry to come and bring their tiredness and tribulations with them. The Statue of Liberty had closed its eyes. North America had shut its voice. We might have even shut our ears. It seemed that the entire country was in an internal turmoil. Canadians looked askance at Canadians. New Canadians were looked upon as different. There was talk of separation both east and west. Loud voices spoke out representing each of the founding races and threatened to be unreconciled. It was even evidenced by the fact that racial tension began to rip through our neighbour to the south.

In parts of Canada, new Canadians were looked at as not of our stock. It seemed that we were not in search of a destiny at all, but we wanted to mark time and enjoy the good things that we have for ourselves and we would never share them with anyone else.

In the midst of all this, great problems of corruption were alluded to in government. There seemed to be a lack of moral fibre in our leaders. There was a complete loss of hope in this generation. It seemed as though everyone was out to get what they wanted for themselves. It seemed that destiny was involved in survival today and there was no bright hope in the future.

How could this selfish, self-centred, non-sacrificing community fulfil its destiny to leave the world a bright new future? Our destiny was gone. If we were destined for anything, it was to wallow in the fields of mediocrity and in the valley of sloth. If we were in charge of our own destiny, then our destiny was not to clean the pool but to pollute the pool, the earth, the air, and even the minds of those around us. We had not merely lost our path on the road. We had not merely taken the low road or mistakenly meandered through the fields. We had lost our destiny.

Somewhat bewildered, I stood as though all alone on a mountain top and I could hear voices. Some were very old voices and they spoke of when the days were hard and difficult during the days of the depression, the tragedies of wars. These were pruning days. They had come through these days together, although having faced great tragedies, having lived together, worked together and accomplished something for the future. These older voices said, "You can't lose your destiny. There is a future for you. Look to the new generation". Then I heard many other young voices. These young voices kept talking of how they would gather with the youth of the world. They would gather with the youth across the land. They would unite in love and security. They would bring to society a brave new world.

As I heard these two voices, I heard a clamour which almost drowned them out, and this was the clamour of a third group. They had gone to the best schools, had lived the rich, affluent life. They were the ones who had everything given to them on a silver platter because their parents, having been through so much pain, had said that their children must live better. These were the ones who said that the past was wicked, the future was rotten, let us live for today.

It was in this simple moment, on top of that one hill, hearing those three voices, that I understood the problem we faced on this continent. We were facing the death of a generation. We were facing a clawing, clinging, screaming people who knew they were going, a materialistic group who had no hopes for the future. This middle generation could see only itself and really resented the voice of the grandparents of the past who could talk so joyfully about their hardships. They really resented unknowing youth who talked as though there would be a bright new dawn.

For them, life was measured in pennies and dollars, cars and television sets and all of the materialistic things and objects on which you can put your hands and view and taste, touch and feel. There was no imagination left—the imagination that was so vivid in the stories told by old grandmothers, the imagination that was so vivid in the young boy or girl who thought that he or she might be a pilot, or a fireman, or a nurse, or a doctor, or a missionary.

● (1540)

This society that was dying was cynical. But, you know, the great chance was there. Joined with the youth and the aged, some of this society, you and me, may pull ourselves out from this dying generation. We do not have to sit on the *Titanic* and slide into the ocean ahead of time to meet it, or just go down with a gurgle.

We have a chance to pick ourselves up and reach for the stars. We have a chance for a second destiny, and that second destiny will be made by the volunteers, the ordinary citizens of Canada. It will not be made by the highly paid employees. It will not be made by the experts. It will not be made by the academics or by all of the researchers or all of the social workers or by all of the greatest of management experts in the world. It will be made by the ordinary citizens from all walks of life. Businessmen, athletes, artists, dancers and corporation owners will give of their own talents, one to the other. We believe our export will be the export of attitude; that our most important resource in this part of the world is human resource and our youth.

We will indeed achieve our second destiny, and our second destiny is a bright new world. Our second destiny is not a city paved with gold. Our second destiny is not all of honey and flowing fields of wheat. Our second destiny is somewhat a drawing in of the belt. Our second destiny is a commitment to be concerned about all others, regardless of their race, colour or creed. Our second destiny means that we will be willing and joyful to sacrifice in order to help others. Our second destiny is no mere ride over the river Styx to the valley of death. Our second destiny surmounts even death. This generation, those of us who will join the youth of the future, will indeed prove, "It's coming yet, and yet shall be that man to man shall brother be".

Service clubs, fraternal organizations, churches and institutions and cities and countries, with this new wave of nationalism will exhibit not our differences but will exhibit what we bring to the table: our talents from Canada, our talents from the old country, brought together not in a melting-pot but in a grand mosaic, a grand stained-glass window which shouts out

our destiny. It is our hope for the disenfranchised and our hope for the world. Our destiny is indeed a road that climbs up until it disappears in the light at the end of the tunnel.

Destiny is in the doing. Those who stood side by side and saw their comrades slain in battle in the cause of a new world will join us. Those who survived the great depression have empathy for the poor of Canada and the poor of the world. The challenge of our youth is not once more to be cannon fodder. However, like the noble ones who came before them, their sacrifices will be great. Let us join with them in the doing. We are on the verge of a new generation. We are witnessing the death of one. Let us toss off the tentacles of the materialistic past. Let us move together to a bright new world.

Some hon. Members: Hear, hear!

Mr. Jack Murta (Lisgar): Mr. Speaker, this is going to be a very difficult act to follow, as I see that the hon. member for Hamilton Mountain (Mr. MacFarlane) has just emptied the press gallery. This is the first time that has happened since I have been here.

I should like to start by congratulating the mover and the seconder of the address in reply to the Speech from the Throne. In supporting the government's programs, those two backbenchers displayed what I think is an inordinate amount of courage and fortitude. My intention is not to give a wide-ranging speech on the economic ills of the country, as that certainly will be left to other hon. members. I would like to give a brief rundown or exposé of my thinking about the case for a long-term food policy for Canada and outline some of the reasons we should have such a policy and what has happened in agriculture over the past decade.

My interest in agriculture is certainly both political and practical; political since my constituency is totally agricultural and practical in that I am proud to say I am a practicing agricultural producer in Manitoba. I believe the greatest occupation in the world is that of agriculture. To my mind, there is no greater profession than that involved in the raising of food for one's fellow man. Canada has always had what was considered a progressive agriculture, that is, up until the last few years. What I would like to do is build a case, as I have mentioned, for a long-term food policy for this country.

It has become increasingly apparent that Canadian agriculture in recent years has gone through a crisis of leadership. As a result, agriculture has been found wanting. Some of the issues which have consumed our farm leaders over the past few years have been egg marketing, dairy quotas, rail line abandonment, feed grain policy, the tinkering about with the beef industry, to name only a few. All of these are essentially negative issues. The strategy each time seems to have been to cut losses rather than to maximize opportunity or try to preserve something that might have made sense decades ago, rather than to see if they would make sense decades from now.

The leader of this negativism that has spread over Canadian agriculture has been the present minister, and during his term as Minister of Agriculture, Canadian farmers have faced the best opportunities they have ever seen. Such opportunities usually come to an industry only once in decades, and for Canadian agriculture it has taken over 50 years since it has had the opportunities agriculture has faced in the past three or four years.

One could ask what the Minister of Agriculture (Mr. Whelan) has done about these opportunities. I think the very simple answer is that he has made a mess of them. About the only product the Minister of Agriculture seems capable of getting Canadian agriculture geared up to produce is milk powder, and that is about the only major export product Canadian farmers produce that is really not needed in quantities in world markets.

As an example, world grain markets have expanded by about 40 per cent in the last five years, yet the United States has taken about 85 per cent of those expanded markets. There is much evidence of the failure of Canadian agricultural policy in the past decade. As an example, Canadian agricultural productivity has been pitiful. When all resources are taken into account the level of Canadian agricultural productivity from 1972 to 1974 seems the same as ten years ago. No wonder a good portion of the industry is running to hide behind the negative sort of policies we have adopted in this country, policies that have been expounded at great length by the negative Minister of Agriculture.

One can ask whether this can be turned around. That is a fairly legitimate question, the answer to which is, hopefully, that it can be. Certainly, at the present time some of our top economic policy thinkers in the federal government have become aware of the problems related to Canada's approach to farm policy. The unfortunate truth is that this would require a new Minister of Agriculture. The most positive thing the present Minister of Agriculture could do for Canadian farmers is quit. That is unlikely to happen, at least in the foreseeable future, and Canadian agriculture is likely to be adrift and leaderless for some time.

In talking about a long-term national food policy, we must ask ourselves what we should be looking at. I suggest we will have to deal with this very important question in the very near future. It would be wrong to say that no food policy exists in Canada. On the contrary, there are dozens of policies at both levels of government affecting food production, distribution and consumption.

If you want a good example of non-cooperative federalism, it would be hard to beat the array of legislation and regulations affecting the food system in this country. Not only is there a frequent inconsistency of regulation from one jurisdiction to another, but there have been cases where within the same jurisdiction one department's policy has conflicted with that of others. A good example of this can be found in a situation surrounding border control on eggs. It would be interesting to know how the authorities at Industry, Trade and Commerce rationalize their policies with those of the agriculture authorities when it come to Canada-United States trade policies.

● (1550)

Given the propensity for the right hand not knowing what the left hand is up to, no doubt there have been many attempts to provide some over-all structure to governmental activity in the food sector. For example, I understand that the federal government formed an interdepartmental committee of senior officials a year ago to deal with food questions. It was established to co-ordinate departmental programs affecting all areas of food. Although this group has doubtless been very busy during the past year or two, there has been no public indication suggesting that this group has seriously engaged in a long-term food policy. It would also be an exaggeration to say that no province has adopted long-term food policies. In Quebec, for example, I understand that the government has set its sights on self-sufficiency in food over the long term.

I have to ask myself how practical that policy will prove to be. It may make sense politically, but it certainly is highly questionable in economic terms. But at least it is a long-term food policy against which the various short-term government measures in that province can be measured. It provides an objective against which the means adopted in particular circumstances to solve a problem can be evaluated. It is precisely the type of clear enunciation of long-term objectives, based on a national consensus, which I think Canada requires.

There are good reasons Canada has not yet managed to develop a long-term food policy, reasons other than obstruction and the negativism of the Minister of Agriculture. First, there is the fact that for several decades food has not been a pressing concern for most Canadians. We have taken very low relative prices to be the normal state of affairs. We ignore the fact that by international, as well as historical standards, Canada has been extraordinarily blessed in its food resources.

Another important factor which has militated against the development of our national food policy, and which will continue to do so, is the array of jurisdiction of authority over the various aspects of the food question. I do not believe it would be an exaggeration to say that there are more than 25 separate departments and ministries of government in Canada with regulatory authority over one aspect or another of the food system. This kind of confusion of responsibility remains a major deterrent to the development of a national food policy. In my view, it can only be overcome by firm and statesmanlike leadership at the federal level. Nothing is more basic to society than food. Reflecting this fact, the various elements of Canada's food industry constitute a very large portion of the total national economy.

As a fundamental concern, it is questionable whether we can afford to leave this sector any longer without an over-all direction or framework on which the activities and planning of both government and the private sector can be based. It is questionable because circumstances have been changing. It is evident that when people no longer can count on cheap, abundant food, when instability affects both their stomachs and their pocketbook, there emerge powerful passions and forces in our society which could very well be destructive.

[Mr. Murta.]

At the risk of oversimplifying the problem, existing policies in Canada were generally designed to cope with the problem of food surplus. As time goes on, we seem likely to face a situation of increasing global food scarcity. When the world situation has reached a point at which a country like Brazil decides, as a matter of foreign policy, to increase production of food because of the political influence food will give it in the world council, then circumstances have indeed changed radically from the decades of bulging granaries. When food begins to become a political and even a military weapon, it is indeed time for Canada to disregard the luxury of co-ordinated short-term, ad hoc food policies.

The next question that could be asked would be, what would we be looking at in terms of a national food policy? I am sure the government will be asking this question, because apparently it has no idea what a national food policy should look like. At the national level, I think we should be looking toward an umbrella framework which would provide a consistent orientation to policy-making. It would provide agreed parameters within which discussion affecting food production, distribution and consumption could be taken. The framework for a long-term national food policy should be relatively inflexible in terms of the goals or over-all objectives which it would describe, but it would not otherwise be limited by the means of achieving these goals.

Another important characteristic of a food policy should be that it be practical. It must provide a useful perspective on real problems and offer fairly straightforward guidance, reflecting a national consensus so that it can be adopted by successive governments in any particular region of Canada. Of course, it is easier to describe the characteristic of a long-term national food policy than to actually articulate a policy with those characteristics. The process of articulation will require contribution from as many interested and informed people as possible. It should not be left exclusively to government officials or politicians.

A comprehensive national food policy should address itself to the following concerns: first, output. Canadians must be assured an adequate supply of good quality food. Second, nutrition. The quality of food for all Canadians must be maintained at the present high standards. A national food policy would certainly have to ensure this particular aspect. The national food policy would have to address itself to the most important question of farm income. Without going into any details, adequate incomes to producers will in the future have to be available to those willing to participate in a modern, up to date agricultural industry.

In a comprehensive, long-term national food policy, we must also address ourselves to the problem of Canada's role vis-à-vis the world. We cannot consider our food situation in isolation alone. Thus, our food policy would have to be concerned about our trading relationships and be as aggressive and market oriented as possible. We have already seen, in the case of beef, what can happen if we forget that there are two sides to the case of import controls. Similarly, a long-term food policy would have to articulate Canada's role in alleviating world

hunger. Before being able to arrive at any kind of policy conclusion in this area, it would be necessary to attempt to identify exactly what the world food situation is now and what it is likely to be in the near future. With the government's track record, we may see some of the suggestions I have made in a national food policy proposed at some time by the Liberal government. If this is the case, so much the better.

One thing is clear: unless the Minister of Agriculture changes his tactics, he will go down in the history books as one of the most negative ministers of agriculture this country has ever had, and along with the negativism he will leave a legacy of confusion and distrust and a clear record of total lack of any constructive policy.

● (1600)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like at the outset to pay a special tribute to His Excellency the Governor General of Canada and extend to him my best wishes of good health, because it is our best asset and only when it has somewhat deteriorated do we appreciate it further. I would also like to extend to his wife, his helpmate, my wishes of good health and long life.

I would also like to congratulate the mover and seconder of the address in reply, a difficult and unrealistic task that follows parliamentary tradition. It is a long-established custom in our Parliament and in the Canadian legislatures and it is always with some pride that members are called to move and second this motion. This is why I wish to extend to them my warm congratulations.

Mr. Speaker, I am deeply pained that the leader of the Social Credit Party of Canada (Mr. Caouette) is not here because he lies in hospital. I am sure that he would have liked to be at present the opening of this second session of the thirtieth Parliament and to take part in its proceedings. Any responsible and sincere individual acknowledges that he is a great Canadian who has worked for the unity of our country while remaining a French-speaking Canadian who has advocated the same ideas in the same terms throughout the country.

So I want to pay him a special tribute and wish him good health so that he can see some day the implementation of an annual guaranteed income through national dividends for everybody and a compensated discount on Canadian products that would be paid through the creation of a new credit from the Bank of Canada, the only democratic financial institution really owned by Canadians, as opposed to the present system that takes the money from the workers through taxes to give it to the less privileged so that someday, if we continue along this line, we shall all be poor.

Mr. Speaker, the first session of the 30th Parliament lasted two years and enabled the government to refrain from announcing its policy sooner. Yet, at the opening of the second session of the 30th Parliament, I thought that in the Speech from the Throne this government would announce several new measures to resolve the many problems faced by Canadians. So it is to fulfill my duties as representative of the people in Parliament that I take part in the debate on the Address in Reply to the Speech from the Throne. The government says that it will continue to fight against inflation but it does not say which means it will use to do it efficiently. The Social Credit Party of Canada would be made responsible for this calamity called inflation if it ever had the opportunity to implement its financial and monetary credit system instead of the present credit-debt system applied and supported by the present government.

In fact, some members of this House and sometimes even the press made unfair judgments concerning the Social Credit Party of Canada without knowing the least thing about its philosophy. I even heard recently on the radio in the Quebec area the moderator of a hot line who was ridiculizing this policital trend, this economic philosophy and who admitted at the end of the program that he did not know a thing on the subject. It is unfortunate that people with such a large audience demonstrate so much irresponsibility because either you say the truth or you lie to the people. You cannot do both at the same time. So I urge the management radio stations to assign to those programs people who are responsible. I am not against the fact that our attitudes or ideas are criticized but at least it should be done by knowledgeable people. It is the least we can ask.

Yet, Mr. Speaker, after the government announced its anti-inflation measures in October 1975 I declared to the House that once more this government, as the unconscious servant of the big financial institutions, was making the poor bear the burden of inflation in the present credit-debt system. So I declared then that a general wage increase of about 10 per cent would widen even more the gap between the small wage earner and high income people. It was obvious that the injustice would be worsened as a 10 per cent increase for a worker earning $6,000 would give him only $600 more a year whereas those earning an annual salary of $20,000 would get an increase of $2,000 a year which would widen the gap by $1,400 a year.

● (1610)

And that even if the essential needs are the same for all. That is what low income people complain about, those who are not organized, who cannot benefit from regular salary increases, who get only the minimum wage. In my view, this is insufficient for a decent living.

There are thousands of low income people who pay taxes to pay for salary increases of persons who earn much more than they do. That is why I say the gap is widening and discontent growing. That is why we are now experiencing protest throughout the country, even from organizations that benefitted from these measures. Nevertheless the low income people who are unable to make representations and demonstrations say so by their silence. They write to their Member of Parliament to complain. I am sure all members receive communications of this kind. These constituents expect us to speak on their behalf on the floor of the House and invite the govern-

ment to change its position on that matter and give them a fairer deal.

I think, as it has often been said in the House, that the real solution would be a guaranteed annual income. The government is aware of that question but it makes very little progress on that road. As on other occasions, I am quite afraid that when this measure will be presented the damages will already be too great, it will already be too late, we will be outdistanced by events, and we will not obtain the results that we could get if we acted immediately.

In the Throne Speech, the government reassures us about its intentions as far as the bilingualism policy in Canada is concerned. At last the Liberal party has understood that it will take a long time for Canada to become a bilingual country and the best means to reach that end is to act at the level of the primary and secondary schools, without encroaching upon the provincial responsibilities in the field of education. I sincerely think that the federal government can find a formula that could help the provinces even more, it could grant the fiscal incentives that would enable them to adopt programs for teaching languages, a second language, at the primary level.

I think that that very measure has been adopted in several countries in Europe, countries which are bilingual, and when we go there, as several hon. members may have realized, we often meet people who can speak two, three and sometimes four languages. There is no quarrel about that, it is a recognized fact, an accepted fact and, in these countries, languages do not create any problems. I think that the same thing could be done in Canada.

There are presently some linguistic problems in the field of aviation. Everybody knows about that. We hear more about those problems in the province of Quebec because our French-speaking fellow citizens are directly concerned and they are the first victims. But I do not understand why this useless battle goes on because some claim that people will travel in much safer conditions if only the English language is used in that field.

It is double Dutch to me. How could you have more safety just because English only is spoken in air-ground communications! I cannot believe that we are not intelligent enough to find ways and means to translate faithfully into French all the words used in air-ground communications.

I think this is just an excuse and it seems to me we should show sings of good will throughout Canada, whether we are French-speaking or English-speaking Canadians and try to find a fair and equitable solution not only for the majority but also for the minority.

I was stunned to see ministers resign on this issue. If my information is correct, the resignation of the Minister of National Defence (Mr. Richardson) yesterday had something to do with bilingualism in Canada. I really cannot understand that. The whole thing reminds me of a fireman. We all know what a fireman is. It is a man who fights fires which are out of control. Some people are proud to be firemen as long as there is no fire to fight, but the moment one breaks out they resign because they will not fight it. I feel that the best way to be efficient is to stay on the job and try and push one's own ideas without damaging anybody else's cause, but with the conviction of fostering the interests of all Canadians.

Mr. Speaker, I should like to deal with the resolution of a municipal council which I received last night. It comes from the City of Montmagny. In this resolution, the city council members state that they support the "Gens de l'Air" in their efforts to establish French as a useful and practical language in communications. The city council concludes, and I quote:

That it assure l'"Association des gens de l'Air du Québec" of its moral support in their fight;

That it authorize the Association to run a subscription and organize a badge selling campaign within the territory of the City of Montmagny for the purpose of obtaining money for their fight;

That a copy of this resolution be sent to the hon. members representing the constituency in the Quebec National Assembly and the House of Commons in Ottawa, to "l'Association des Gens de l'Air du Québec", Hangar No. 2, Quebec City Airport.

That is signed by the clerk, Yvon Lemay; the mayor of that municipality is none other than Dr. Cajetan Gauthier whom several of you know for his services to Canada when he was in the Canadian forces. I congratulate the Montmagny city council for having taken position on the matter and I trust the message will be heard in high places so that instead of quarrelling we might get along and finally act like intelligent people and solve the problem.

Mr. Speaker, I was astonished that, in the Speech from the Throne, not one word was spoken about agriculture, as if it were an economic sector of no importance. Yet, as far as Quebec is concerned, it is the very foundation of agriculture, which explains the considerable dissatisfaction expressed by the producers of that province on hearing that, as a result of the dairy policy we know, their income has been cut by 23 per cent as of today. I have here a document I shall not read because it is very long and complicated; I received it yesterday from the dairy producers' union of the south shore, and it is signed by its secretary, Adrien Lavoie. One paragraph reads as follows, and I quote:

● (1620)

Economic situation

The drop in incomes as defined will be $5,350,000, representing 23 per cent.

Considering that 1,200-odd producers in our region will have to face such loss, this will mean for them an average decrease of $4,458 per dairy farm.

Those are official figures which I quote trustfully because usually those people give us very precise information.

Together with the same document I also have here a letter dated September 24, 1976 that was sent to a producer of my region. In this letter, it is said that for five successive remittances, the producer has not received one cent. Each cheque carried the mention "cancelled". I do not know whether it is legal to proceed in such way, I am not qualified to pass judgment but, at any rate, this is called a cheque and no payment whatsoever can be made with it. The producer is unable to pay for his meal account, his hydro and gas bills.

Therefore, it is a sad situation but something even worse adds to it. I will quote from the letter, Mr. Speaker:

> The Federation of Quebec Industrial Milk Producers have instructed us to deduct from your pay cheque covering the period September 1 to September 15 and the following ones, if applicable, an amount of $1,200.54. This amount represents a deduction for export costs exceeding quotas (penalty) which had not been taken off your pay for the period June 16 to 30, according to the 50 per cent formula as applied to your performance between April 1 and June 30. This 50 per cent formula was cancelled on August 1.

Therefore, for the period I just mentioned alone, June 16 to June 30, this represents $1,200, that is 50 per cent, whereas 100 per cent amounts to $2,400. Consequently this farmer whom I know very well is going to go bankrupt and yet he was among those who were encouraged to remain on their farms because they were employed outside the farm and their wives were running the enterprise with their children. Therefore, he was encouraged to remain on his farm, but for this purpose he had to increase his herd to make his business profitable. So he believed that; he bought cows for a good price, he accepted quotas and he was sure that he would have a normal year. But he happens to do so at the wrong time and the dairy policy that we know serves him badly and at the end he is not the one who leaves the farm, it is the mother who finds a job outside the farm to save whatever is left. Therefore, when I say that it is a disaster for many, I do not exaggerate.

I would like to take this opportunity to tell the government that they are dishonest to put the blame solely on dairy producers because, in fact, it is well known that loans from the Farm Credit Corporation have been easier to get this past year and that farmers were invited to have more producing farms and, of course, it was impossible to forecast everything. But I blame the government for allowing the importation of heavy shipments of dairy products to the point that in 1975, according to an official document I have in hand and which stems from serious research, our importations reached $56 million while our exportations only reached $35 million. Normally, we are an exporting country.

So I think we should do more to encourage research for a greater utilization of our milk so that we can find new products we could sell on our market and I think that in this way we could safeguard the basic industry in Quebec, namely the milk industry.

I have here a press release published in a paper dated October 6 which happens to confirm these possibilities. It says the following, and I quote:

> A new milk product has been on the market for one year already, UHT milk, which is treated at ultra high temperature and which may be preserved longer than traditional pasteurized milk.

Thus I think we should encourage to a greater extent the production of this milk so we may store it and send it to underdeveloped countries. Mr. Speaker, when we talk about giving milk to underdeveloped countries through the CIDA program, we hear people make the following answer: But African people do not want to drink our milk. They are not used to that kind of milk and they do not drink it.

Mr. Speaker, it is my belief that the Creator made everybody the same, either in Africa, in Canada or elsewhere in America and anyone can see for himself that females are surprisingly like our mothers who fed our children. Like us, they consider milk as a natural product and it is widely appreciated. In that sense, I would like to relate an incident to hon. members. Fifteen days ago, a nun who has lived for 20 years in Africa made a visit in our parish and spent two days in my home.

During meal hours, I took the opportunity to inquire about African families and about the way they feed themselves. I asked her the following question: If we give them some milk, would they use it or throw it away? She answered affirmatively. She told me that her community had bought for $40,000 of powder milk last year that this milk had been distributed to the poorest and most hungry families and that if it had been possible to buy more, Africans would have welcomed it.

Now I think it is an excellent means to help these hungry people while disposing of a production exceeding the needs of the domestic trade. Mr. Speaker, another means we could use to settle that problem would be to restore discounts on dairy products so that, larger families and those with lower incomes might take advantage of these products at bargain prices.

Two or three years ago, that policy did a great deal of good when it was introduced. I think we should go back to it. That would be another way of eliminating the dairy problem. The right hon. Prime Minister was telling us yesterday that the Canadian government is spending $250 million a year to help the dairy industry. That is right, but this is not the only industry being subsidized in Canada. Look at all industries which are subsidized through regional economic expansion and you will notice that there are many industries in other sectors, many people taking advantage of legislation meant to help their businesses.

In my opinion, while thanking the government for its generosity towards Canadian dairy producers, it would be advisable to add a few million dollars to diversify our policy, as I just suggested, so that Canada as a whole can take advantage of it and therefore save the dairy industry from disaster. Mr. Speaker, I see that my time is running very quickly, but I would have another subject to deal with, and I refer to unemployment. In our area, in the south shore region, people are very uneasy. There has been talk of industrial decentralization for many years. In theory, this sounds great if done with good intentions. But in practice, this is not what is happening. Again recently, in my region of the south shore, certain industries have had to reduce their personnel because they have lost contracts, customers who ordinarily had certain materials subcontracted by these industries. Moreover, while saying that it wants decentralization, this government is now helping industries in Montreal to expand. It is helping the same type of industries as those in our area to develop.

I am quite sure that there is no intention of wrong-doing, but it still remains that the movement is towards the large centres and that the less favoured centres suffer more and more. When we look at the figures, it is not surprising that unemployment is increasing in these areas. This is why today I asked the Minister of Manpower and Immigration (Mr.

Cullen) if there were modern methods of evaluating, finding and compiling data on the healthy unemployed and whether he would earmark additional funds to implement as many LIP projects as possible. The minister replied—and if I had been in his place, I would perhaps have done the same—that if he did this for the Bellechasse riding, he would be asked to do the same for all other constituencies in Canada.

This is a reply that I had been expecting, but I still believe that the Local Initiatives Program has been greatly improved in the last two years, and when this year's program was announced, I took the responsibility of sending forms to each municipality to invite them to take part in the program and of asking them once again to submit serious projects which would make good use of the money of Canadian taxpayers so that something would remain afterwards. I believe that this is the best advice that we can give to those whom we must serve. The population replied and many projects were submitted. However, I was discouraged to receive a week or two ago a letter from the minister informing me that only a certain amount would be made available to us.

Mr. Speaker, you can imagine the situation of a member of Parliament who has $2 to $3 million worth of serious projects before him and who is offered about one tenth of the money he needs. With the best will in the world, how to distribute this money—

• (1630)

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the House that the hon. member's allotted time has expired. He may continue with unanimous consent. Does the hon. member have unanimous consent to continue?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): I thank you, Mr. Speaker, as well as all my colleagues. It is not my habit to abuse the generosity of the House and my comments will be brief. However, I am very grateful to you for allowing me to finish what I want to say. As concerns the LIP projects, I would like everyone in the House, all the members whose ridings are most affected, to join me in telling the government that they appreciate this program and would like to see more money allocated to it for the creation of jobs, because even if we do not give work to those people, we shall have to support them. If we do not support them through unemployment insurance benefits, we shall do so through welfare benefits and nothing will be accomplished in this way.

I believe that the government should seriously analyse the situation and think during the next few days about giving the Minister of Manpower and Immigration additional credits so that more projects can be implemented.

As you may have noticed, Mr. Speaker, I am not making my remarks as a criticism, patronizingly. Rather, I am making them responsibly, conscious of my responsibilities towards the population as a whole, proud of the experience in my constituency, especially last year when various monies were put to very good use. That is why I will request that this year again the government carry on along this line.

I would have liked, in conclusion, to touch on the subject of housing as I had promised I would last night to the Minister of State for Urban Affairs (Mr. Danson) but I do not want to impose upon the goodwill of hon. members. I will take up this matter at an other time. Meanwhile, I would like, if I may, to make a few suggestions which I consider to be good ones in order to help him perfect his program for the improvement of housing facilities in rural areas. However I can say today to the minister that this program, a very recent one, is already under way in my constituency.

Numerous projects are submitted, some are finalized and people feel quite satisfied about the way things are going. That is why I have asked the minister last night, in private, to see to it that this program be extended so that a greater number of municipalities benefit from it, which would also enable us to reduce unemployment, create jobs, while promoting housing improvement for the rural population.

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker—

Some hon. Members: Hear, hear!

Mrs. Campagnolo: Mr. Speaker, I thank my colleagues on both sides of the House. As one of those who was first elected in 1974 and who has not yet made the traditional discours de début—frankly the words "maiden speech" seem too amusing to comment upon—it is my intention today to address my remarks to several areas concerning both the branch I represent in fitness and amateur sport, and the riding I represent, as well as areas pertaining to the larger picture concerning the health and fitness of our nation as a whole.

I am sure hon. members noted with interest the following short statement in the Speech from the Throne on Tuesday:

[*Translation*]

In the aftermath of the highly successfull Montreal Olympics, and the gratifying results achieved by Canadian athletes, federal support for selected amateur sport and fitness programs will be further augmented.

[*English*]

The key word is "augment." My message to the Canadian sport and recreation people across this country is, "augment."

I should like to point out to hon. members that the two primary areas under my administration, Sport Canada and Recreation Canada, are both in the forefront of improving the participation of Canadians both in excellence in amateur sport and in ever greater numbers in upgrading physical fitness. Sport Canada will be further strengthening the national sports governing bodies and increasing the understanding of amateur sport in our nation. There will be further activity in medical research as it pertains to amateur sport, and new initiatives will be undertaken in assembling sufficient data on which decisions may be based for the greater advantage of amateur athletes.

It is my intention to place considerable emphasis on coaching as a preliminary move which, with the advice of the National Advisory Council, I am confident will form another part of a firm foundation that is required to create the continued evolution of excellence Canadians expect both in competition and in personal fitness.

I serve notice to you, Mr. Speaker, that I shall be asking your leave to rise in my place and speak of the enhancement of Canadian fitness many times in this session, and I frankly ask the co-operation of hon. members on all sides in acquainting me with recreation and amateur sport needs and aspirations in their home areas. If some of them do not hear me, they may not get any.

Some hon. Members: Oh, oh!

Mrs. Campagnolo: I come here, too, Mr. Speaker, as a parochial politician from an area which has very great and immediate concerns. First, I wish to briefly acquaint you with some of my parochial concerns. I have never found "parochial" an improper word in the House of Commons. What are my parochial objectives? I want to assist in setting a standard for the nation during a time of proposed development undertaken by both the federal and provincial governments, by working with conscience and responsibility in employing expertise in adapting development to the environment, and not the other way around, to provide incentives to professionals to work and live in the north, and to reduce the eternal east to west flow of everything from freight rates to the national news, and then start work on the south to north differential that denies the one-tenth of Canadians who live above the fifty-second parallel and below the sixtieth parallel their fair proportion of this world's goods at the same price as their southern neighbours pay.

We have been given a golden gift in this nation, and are in danger of allowing regionalism, grievances and differences of language and culture to shatter our rich heritage. We in this House know we must share, through a solid constitution, these gifts, and even more than most citizens, recognize that a constitution is not a whimsical Gallup poll reflecting day to day changes in the pulse of public opinion as the pulse of the nation orders. The Department of National Health and Welfare is concerned about other matters, about which I am sure hon. members will be interested.

It is usual for those who speak for the government in such debates as this with a twofold purpose: to defend the ideas and proposals put forward in the throne speech itself and to comment upon the remarks made in reply to the throne speech by hon. members opposite. I am most pleased to be able to address myself to the first of these purposes, but find that I am in a bit of a quandary with respect to the second. I should like to take issue with the comments made by the official opposition but, since the leader and his colleagues have produced only words without substance, I find it impossible to do so.

• (1640)

Continuing a tradition which has been well established in the official opposition since last February—and, indeed, for much longer than that—all we have heard so far in this debate is sterile negativism. Our proposals allegedly serve the interests of no one. Well, if that is the case, where are the bold alternatives to which Canadians are entitled? This House and all Canadians might have expected that the opposition would finally begin to put substance to its easy generalizations, but since we have all been deprived of that once again, I can make no further comments on the remarks emanating from that source.

Mr. Horner: Oh, oh!

Mrs. Campagnolo: I remind the hon. member for Crowfoot (Mr. Horner) he was not here to listen to his leader yesterday. I remind him of a premier from British Columbia who was a pretty good one-line stand-up comedian, but he did not last that long.

Mr. Horner: Mr. Speaker, I rise on a point of order. I want to set the record straight. The reason I was not here yesterday is that I was in Montreal listening to some former Liberals tell me about the problems of transportation in the province of Quebec.

The Acting Speaker (Mr. Turner): Order, please. That is not a point of order, it is a point of debate.

Mrs. Campagnolo: Mr. Speaker, I bow to the hon. member for Crowfoot in his knowledge of transportation, but not of Liberals.

But to continue: I cannot make quite the same comments about the remarks of the other parties in opposition. They have at least tried to list some things to which we did not address ourselves in the Speech from the Throne. That is fair enough, but it ignores the fact that governments cannot do everything at once, and it flies in the face of this government's philosophy that governments ought not to try to do too much lest they sap the initiative of the private sector. I am sure the hon. member for Crowfoot would be very concerned if we began to do that.

Mr. Horner: Your words do not convince me of your intentions.

Mrs. Campagnolo: I hope you will have an opportunity to speak.

Mr. Horner: I remember the words of the Prime Minister (Mr. Trudeau).

The Acting Speaker (Mr. Turner): Order, please. The hon. minister has the floor. I suggest we listen to her. We may learn something.

Mrs. Campagnolo: I appreciate the comments you have made, Mr. Speaker. Today, then, I wish to address myself primarily to social policy and particularly to our proposals with respect to the Canada Pension Plan, family allowances,

social services and the status of women. While all parties in opposition have tried to shy away from these areas in their comments, probably in recognition that the government is providing solid and popular proposals dealing with these subjects, I do want to draw your attention to them. They reflect, directly, this government's feeling that the apparatus of the state exists to do things for people, not to people. Thus, we hold that while we must apply a firm hand where necessary, we must also demonstrate compassion wherever that is appropriate. One place where compassion is vital is in the provision of social services.

In my previous occupation, and indeed in the present one, I have often been brought face to face with what can happen when social services are not available: at one end of the scale, people pushed to extremes of suicide and criminality, and at the other end people weighed down by troubles they have not been able to solve by so-called conventional methods and who are living Thoreau's life of quiet desperation. Somewhere in between lie homes broken by family and financial stresses, people with what society defines as handicaps who are on welfare only because they cannot get transportation to a job, people who desperately need subsidized day-care services, and single-parent families struggling to retain their unity and dignity.

Because I have seen these problems, I take particular pleasure in commenting on the proposed social services act. I am very pleased to be the first person to bring to this chamber's attention this very positive outcome of the social security review which was begun by the Minister of National Health and Welfare (Mr. Lalonde) some three years ago. There are a number of ways in which this legislation is special. For instance, the very fact that the provision of social services is being considered quite separately from income support legislation is a break with tradition, a forward-looking step which is making Canada the envy of many other countries.

Developing a separate piece of legislation is an important step because it recognizes the fact that those who need services, such as day-care, homemakers' services, crisis intervention services, credit counselling or rehabilitation services, are not only poor people. It reasserts that giving people more money does not magically solve all problems, not even the problems of the poor. It is not enough to be able to pay for a service; the services must first exist.

In effect, this means we are recognizing that social services are needed at one time or another by everyone, although to date not everyone has been able to take advantage of them. Children, regardless of their parents' situation, may need protective services. Their parents, regardless of family income, may need the kinds of services that help bring the family back together again or prevent it from falling apart in the first place. Families with handicapped children need a number of services to make it possible for the child to flourish in a warm family atmosphere without putting impossible strains on family life, exactly the kinds of strains that in the past have forced families to give up their children and place them in institutions. Rehabilitation services which were once reserved only for people who could work will now be available to people who may not be able to, especially children and older people retired from the work force.

[Mrs. Campagnolo.]

Day-care services are no longer seen as services reserved for the poor; all kinds of people are now using these services. The proposed legislation will make it possible for a much larger number of them to have the whole or a portion of their fees reimbursed. Moreover, day-care is not restricted to children. Many retired people who might otherwise enter an institution will be able to remain in their community and enjoy their retirement a lot more because they will have the opportunity of going to centres where they can meet friends, just relax, or get together to find ways of improving community life not only for themselves but also for others.

Another very important consideration is that the legislation was not conceived in a vacuum. Since this is cost-sharing legislation, thorough consultations were held with the provinces. Moreover, the Minister of National Health and Welfare from the very outset invited submissions from individuals and organizations and received them. The proposed social services legislation from its very conception was a response to the kind of things government was hearing from people. It listened to their concerns and incorporated as many solutions as was feasible into the legislation.

People were saying that no one—not the physically handicapped, not the elderly, not the mentally retarded—no one is so useless that society should automatically put them away in institutions, regardless of how good these may be. Everyone has something to contribute and the right to stand on their own two feet to the extent that that is possible. For the handicapped, this proposal will mean transportation services to get a job or other community activities. It will also mean a range of rehabilitation services which get them ready for a job and make it possible for them to keep it. It will mean living in their own apartment with the help of a visiting attendant or homemaker. It will mean homemaker services for the elderly who want to live in their own home for as long as possible, and for some of them it might mean the provision of badly needed meals on wheels, or a visiting nurse.

We believe that social services are cost-effective. They save tax dollars. There are short-term savings in keeping people off welfare and in the labour market and a number of services do this, including day-care services and rehabilitation services. It is also cheaper in many cases to keep people out of institutions because these have become a very expensive form of care. There are other longer-term savings especially in the prevent type of service. If we can provide children, for example, with services at critical points in their lives, and promote positive personal development, we can be reasonably sure that they will not become dependant adults, dependent on alcohol, drugs, or welfare; they will not be subject to chronic mental illness, or become criminals. For all these reasons, I am sure that many hon. members are looking forward, as I am, to the forthcoming debate on this important legislation.

• (1650)

As a result of the recently concluded federal-provincial review of our social security system, several significant amendments have been made to the Canada Pension Plan over the last several years. These amendments improved both coverage and benefits under the plan. For example, the ceiling on pensionable earnings was raised substantially in 1974 and set to increase at 12.5 per cent per year until it catches up to the national average industrial wage level. This means that new Canada Pension Plan benefits payable are much improved. Also, the minimum income levels required in order to obtain access to Canada Pension Plan coverage were reduced in order to expand the scope of the program and extend the protection of the plan to a larger number of Canadians.

In addition, the earnings and retirement tests which applied to Canada Pension Plan retirement pensioners between the ages of 65 and 70 were abolished. This measure ensures that Canada Pension Plan beneficiaries with low pensions are not penalized for trying to improve their incomes by continuing to work. At the same time, the limitation on the adjustment of pensions-in-pay in line with changes to the consumer price index was removed to fully protect pensioners against the erosion of the purchasing power of their pensions.

Another very significant amendment to the Canada Pension Plan was the introduction of equal protection and coverage for male and female contributors and their families. That is, the limitations that had once existed in respect of benefits paid to the survivors of female contributors were removed. This recognized the principle that the earnings of either marriage partner should receive similar protection under the Canada Pension Plan against the contingencies of disability, death and retirement.

The government is now advancing a further improvement to the Canada Pension Plan as part of its continuing program to ensure the plan continues to meet the challenge of this changing world in which we live. These proposed improvements represent one result of several years of study, federal-provincial discussions and dialogue with interested groups and individuals across the nation.

In 1970, the report of the Royal Commission on the Status of Women in Canada recommended that provision be made under the Canada Pension Plan for spouses who work at home. This approach was supported in the reports and recommendations of the Advisory Council on the Status of Women and the Canada Pension Plan Advisory Committee, both of which greatly assisted the government in developing these proposals. These groups expressed the need to give recognition to work in the home and to provide financial security under the Canada Pension Plan to a spouse who works at home. As well, a great deal of correspondence was received from individuals and interested groups which indicated that some concrete steps should be taken as soon as possible. These proposals have also been the subject of study and discussion throughout the federal-provincial social security review.

As a result of these consultations, a two-part proposal for amending the Canada Pension Plan is now being advanced. The first part of the proposal would allow the CPP pension credits earned by both spouses during marriage to be split equally between them upon marriage dissolution—that is, upon divorce or annulment.

Mr. Friesen: What does that mean?

Mrs. Campagnolo: It means you get half. The second part of the proposal would allow contributors who leave the labour force to raise young children to drop those periods of low or zero earnings from the calculation of their average lifetime earnings in calculating CPP benefits. The hon. member for Scarborough East knows a great deal about this since he was on the committee that helped evolve many of these proposals originally.

The provision to split Canada Pension Plan pension credits upon the dissolution of a marriage is aimed at ensuring, for the "spouse at home", an equal share of an asset that has been accumulated as a result of the efforts of the two partners during the marriage. This provision thus provides a measure of financial security and recognition for the spouse who works at home, and his or her dependants, at a time when Canada Pension Plan protection may be extremely important. The spouse would have immediate financial protection under the Canada Pension Plan against disability, and the children would have protection against the death of their parents. In the longer term, the spouse would be entitled to Canada Pension Plan retirement benefits. This provision is consistent with the view expressed by the federal law reform commission on the economic nature of marital partnership.

The second proposal would allow a contributor who leaves the labour force to raise a family to drop out those months of low or zero earnings from the calculation of average lifetime earnings. This would ensure that any parent who worked at home caring for children under the age of seven would not be penalized for that period during which she or he had low or zero earnings. Consequently, this proposal would protect the potential pension benefits and eligibility acquired by such a parent either before or after the child-bearing period.

Both of the above proposed revisions are endorsed by the government of Quebec which intends to introduce an amending bill to give effect to identical provisions in the Quebec Pension Plan. As a result, the introduction of our proposed amendments at this time will enhance the universality, portability and transferability of social insurance coverage under both the Canada and Quebec Pension Plans. That is, Canadians will be largely unaffected by their occupational locale or career mobility because the parallel structures of the two plans will be maintained.

When the government launched its anti-inflation program last fall, it recognized that it had to set an example by curtailing expenditures wherever possible. One of the areas of greatest expenditure is in the income security field. In 1974-75, federal expenditures on this sector were $10¼ billion. However, we also recognized that any cutback in these expenditures would work hardship on the people these programs were designed to help. The family allowance program is the

one welfare program that reaches into all the strata of our society and supplements family incomes without regard to the levels of these incomes.

We concluded that, on balance, a cutback in this program, although it would mean hardship for some families, would cause less disruption of total family income than would a cutback in any other federal welfare program. And by limiting the cutback to the amount of escalation that would otherwise have been provided in 1976, the government sought to limit the impact on family incomes of this anti-inflation measure. The government therefore suspended the indexation of family allowances for 1976; families continued to receive a $22 monthly allowance instead of the $24 allowance that escalation would have provided for. Estimated federal expenditures on this program in 1976 were thus reduced by $220 million.

It should be recalled that in 1972 the allowance rates were $6, $8 and $10 a month, depending on age. In October, 1973, they were raised to $12 as part of the government's program to help people cope with the effects of inflation. The following January, the new family allowance program set the rate at $20 a month, and in 1975 indexation raised it to $22.

However, it is a basic tenet of this government's philosophy that its income security programs should be indexed so that the purchasing power of the various pensions and allowances will not be eroded by rising prices. It would be inconsistent with this philosophy to continue the suspension of family allowance indexation beyond 1976, and therefore indexation will be resumed in January. The exact amount of the increase will not be known until November when the October price index figures are available, but on the basis of current figures I would anticipate family allowances will increase by close to 8½ per cent in January of next year.

It should be clear, then, Mr. Speaker, that the program of restraint to which our government intends to hold does not imply an end to the improvement of social measures to help those who truly need our help. In places where it is appropriate, we are moving to introduce greater cost efficiency based on the lessons we have learned over the years. In other places we are moving to increase the social justice of our programs. In all cases our ongoing concern will be to provide the very best social security system possible for Canadians at a cost which the nation can afford.

● (1700)

Thank you, Mr. Speaker. I look forward to bringing information to this House on fitness and amateur sport.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I do not know why it is, but every time the hon. Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) speaks she evokes in my memory statements made by our mutually admired William Shakespeare, and today has been no exception. After listening to 30 minutes of that purple prose I must say that, by George, King Lear is right, "Nothing can come of nothing."

[Mrs. Campagnolo.]

I must comment on the observation she made that the hon. member for Crowfoot (Mr. Horner) was not here during our leader's speech yesterday. I could not help but notice that while the Prime Minister (Mr. Trudeau) was speaking half the government benches were empty. Then the government whip, the hon. member for St. Boniface (Mr. Guay), was good enough in the performance of his duty to go out and bring a few stragglers in so the government benches were at least two thirds full by the time the Prime Minister was finished.

Mr. Guay (St. Boniface): You certainly don't have much of an audience, do you?

An hon. Member: You are here, Joe.

Mr. Friesen: I was pleased to hear the Minister of State for Fitness and Amateur Sport on one of the Vancouver hotline shows about two weeks ago. I was very pleased to hear her, and I hope she appears very often because every time she does she helps the Progressive Conservatives a great deal. At that time she gave her unqualified support to the Prime Minister, and is therefore among the elite of Canada as there are fewer and fewer of those people left. I should like to point out to her the kind of leadership she supports when she supports him.

Let me refer to the Prime Minister's speech of yesterday, specifically to his words as reported at page 30 of *Hansard*. This is the kind of logic for which he is well known. He was referring to food prices when he said:

> Some have calculated that 60 per cent of the retail price, more or less, is not made up of the price at the farm-gate but of the price of those after-operations, processing, distributing, and so on.

Now get these golden words:

> That is why our prices are rising so much more slowly than in the United States, at a time when both countries are experiencing a similar deceleration in farm-gate prices because of excess supply.

Even the Prime Minister knows that the average hourly wage rate in Canada today is higher than that in the United States, and knows also that productivity costs per unit today are higher in Canada than in the United States. How in the name of logic can he say that prices are climbing more slowly in Canada than in the United States?

I know the Prime Minister is not given to grocery shopping and that the taxpayer pays for all his groceries, but there are many housewives in the lower mainland of British Columbia who would like to take him shopping for a few days—perhaps not by the hand, but rather by the ear. He seems to forget that we are losing $5 million each month because shoppers in the lower mainland of British Columbia travel into Washington State to buy groceries cheaper than they can in Canada. In spite of this the Prime Minister has the unadulterated gall to say prices are climbing less rapidly in Canada than in the United States. I would like him to meet a few of the housewives who do their shopping in British Columbia. He should know, for example, that cookies baked in British Columbia are cheaper in Washington than in B.C.

Mrs. Holt: And we pay our food packers three times as much; come on!

Mr. Friesen: But that is post farm-gate prices.

An hon. Member: Listen to the arguments before you open your mouth.

Mr. Friesen: This is why we are losing markets to the United States and why agricultural products are creating growing inventories in the warehouses of Canadian producers. It will not be long before the farmer in British Columbia is frozen out and our shoppers will be at the mercy of the United States corporate farmers. That is something the Prime Minister is not considering when he makes these bold statements. So much for his credibility regarding those remarks!

Let me make a few comments on the contents of the throne speech which at best can be described as a political survival kit. The Prime Minister is doling out K-rations to his supporters in order that they can stay alive at least until the next election and, hopefully, after it. We, however, hope to lose a few Liberals the next time.

The pablum that was served in that speech was more important in respect of what it did not say than what it did say. For example, the statements regarding the war on the high inflation rate were well taken. This is the number one priority in Canada. While the statements themselves were very innocuous, it is important that we keep that fact in mind. We cannot minimize the anxiety that high unemployment and high inflation create among our people, or the terror they face at the end of each month when they try to pay for their groceries. This war on inflation had better be a real one instead of just shadow boxing.

Even though we might be able to solve all our economic problems in Canada and beat inflation in the very near future, we would still have to face another overriding problem that is perhaps even more serious. I refer to the problem resulting from government officials trying to decide for Canadians what kind of people they ought to be, or ought to become. Broadly speaking the problem results from cultural determinism being forced on us. As an example we have the CRTC—and I know there are other such agencies—which have never had to face the electorate, and its members never have to put their jobs on the line. These officials sit on the 14th floor at 100 Metcalfe Street, Ottawa, deciding what Canadians can watch on television and listen to on radio. This is always done in the name of or in the interest of Canadianism.

I would remind hon. members of one thing common to all governments that believe in strict control, as does this government. They always couch their strict controls in the name of and with the cloak of patriotism. They do it for the good of our country and its culture. This means that those who oppose restrictive policies are unpatriotic and un-Canadian.

I remember watching a news broadcast some years ago coming from across the line. That was something I would not have been able to do had the Maple Leaf curtain been properly draped along the 49th parallel. It was a news report by Huntley-Brinkley in which they referred to the parable of a couple of dogs in Germany.

One dog was from West Germany and the other was from East Germany. The West German dog asked the East German dog why he would want to leave his country. He said he looked well fed and well taken care of, his coat was shiny and he did not appear to be lacking anything. The East German dog said, "I like to bark".

● (1710)

The CRTC wants to tell Canadians how to bark, when to bark, how they ought to listen to the bark, and what the quality of the barking ought to be. But you see the hon. member for Hamilton Mountain (Mr. MacFarlane) is so used to government restrictions that he does not listen any more. He is totally mesmerized by it. The whole Pavlovian theory is working beautifully in his case.

The CRTC bureaucracy with its 700 employees is no longer a regulatory body but rather is a control agency in respect of the Canadian people. It determines what Canadian culture should be. The members of that bureaucracy are the wise ones. No doubt there is a need for supervision, but the main function of the CRTC seems to be to take choices away from the Canadian people. Let me give an illustration by referring to a letter which came to me that was written to the Chairman of the CRTC by someone from Trail. Part of the letter states:

> These new FM regulations caused us to lose our local FM station. Small radio stations in rural areas cannot meet these new regulations, and the public does not want its FM listening pleasure ruined. If you are so intent on Canadian FM, how about getting us in Trail some Canadian FM? Your regulations killed our local FM and CBC took over, only to broadcast CBC-AM on our FM station. For years I have been writing trying to get CBC for Trail. Now we have it—but we lost our local Canadian FM in the process. Is this progress?

There you have an example of CRTC brilliance. I should like to refer to a statement made by a very brilliant and outstanding liberal. I have to go back one hundred years to find one, John Stuart Mill, who said:

> The cultivation of the active facilities by exercise, diffused through the whole community, is in itself one of the most valuable of national possessions.

There you see is the secret. The community does establish these functions and creates these facilities. We do not need these national bodies to tell us how to live and what kind of people we ought to be. We do need a clear service on the network, but we do not have to be told what to read, what to listen to, and what to watch. It is my firm contention—and I know there are people in this House who agree with me—that it is time for the CRTC to go and that we should have a body which is purely regulatory and not an oppressive control body. That is one area that was omitted from the throne speech. I should like to refer to another.

I refer to page six of the throne speech and read these words:

> . . . the government believes most unemployed Canadians would much prefer to secure that income through worth-while work than through public assistance.

I agree, but there is nothing in the throne speech that makes it possible to have the kind of tax relief that would allow private enterprise to expand the way it should if it is to provide these jobs. If Canadians want to work, so do the businessmen. So long as the government continues its oppressive and exces-

sive tax policies, business will be driven out of the country. I have a very active but relatively small business in my riding. That business is now diverting some of its activity to the United States. It is tempted to do this because of the tax policies of this government. It is tempted to make its Canadian operation a warehousing operation because it can operate more profitably in the United States. Effectively we have four levels of government all trying to tax the same person. Because the federal government has the over-all tax power it makes sure it gets its tax first.

There is a new television production company operating in Vancouver which some time ago wanted to bring its equipment across from the United States because it could not get that equipment in Canada. It could do so if it would be willing to pay in advance about $100,000 in federal taxes and customs duties. This is a new Canadian company. Meanwhile an American company could have come in and done the same work for $1,500.

All the while the government talks about wanting Canadian business to be totally and purely Canadian. It wants Canadians to own business, but when Canadians have the opportunity preference is given the foreign operators. Now the government talks about a job-creation program. There is no mention of tax relief for business. The government would rather collect all those excessive taxes, recycle them through the government funnels here in Ottawa and give them out in a job-creation program so that more bureaucrats can get a job, rather than let them work there in the private system which they would have been doing in the first place. This is totally unproductive. That is the second point the throne speech fails to discuss.

The third point is that the throne speech says really nothing about criminal law or correctional philosophy. Canadians are crying out for law and order, but they really want more than that. Every totalitarian government in the world can have law and order. What Canadians are desperately crying for is a balanced perspective in criminal law and correction. Their sense of moral and equitable justice, rather than of technical justice, has been completely raped.

Those of us who live in British Columbia and represent the people there have very fresh memories of the incidents in the B.C. pen. Two residents of my constituency were held hostage during the last incident. Fourteen months ago, in a previous hostage taking, several of my constituents were involved in that one too, so I think I have a right to speak on that particular problem. I do not envy the job of the Solicitor General (Mr. Fox) in trying to negotiate with criminals in that kind of situation. But there is something wrong when there are at least eight hostage takings within the one federal penitentiary within an 18-month period. Surely those prisoners have found that there is some kind of a reward bigger than the risk involved in that kind of activity. The balance is all screwed up.

We have a member of the citizens' advisory committee coming into the penitentiary and telling the RCMP how they ought to treat the prisoners. We have the prisoners being served hot meals while the guards on duty have cold lunches. Something is really all screwed up. We have local officials who are deemed by Ottawa not to be smart enough to make decisions in a local emergency and therefore these officials have to funnel all suggested decisions back to Ottawa, with a delay of three or four hours before they can make a decision on the scene. We have a situation in which the federal government leases the most expensive floor space in Vancouver in the Pacific Centre but cannot find the money in order to provide more guards or stop overtime, or to provide the kind of training those guards need. The government says it must exercise austerity. This is the time it picks in which to exercise its austerity. I should like to refer to another aspect of this.

Another constituent of mine, named Marshall Green, was in a predicament a few months ago. He tried to prevent a murder. He states:

> I managed to push the muzzle of the gun downwards before it went off, shattering my left leg at the groin. I then wrestled for possession of the gun with the man who appeared intent of finishing me off. Just as I passed out, witnesses arrived on the scene and disarmed my attacker, Kenneth Earl Marquardte.

● (1720)

> The local RCMP charged Marquardte with attempted murder. He entered no plea when charged, was remanded for psychiatric assessment and was subsequently released on his own recognizance and $5,000 bail. The preliminary hearing was originally set for August 5 and I learned, only after I caused a number of telephone calls to be made in early August, that the hearing had been adjourned.
>
> I heard nothing further from the Nakusp RCMP or the Crown prosecutor's office in Nelson. On Monday, September 13th, I received a newspaper clipping from the Nelson *Daily News* which stated that "Kenneth Earl Marquardte, 47, of Nakusp, was sentenced to five weeks in jail to be served on weekends and probation for six months on a charge of wounding with intent . . ."

Mr. Paproski: A psychologist's decision.

Mr. Friesen: He goes on to say:

> When I caused an inquiry to be made of the Crown prosecutor handling the case he confirmed that Mr. Marquardte had pleaded guilty to the charge of "wounding with intent" and that after his counsel had called two character witnesses and read in the psychiatric report, Marquardte was sentenced on September 2nd, 1976, as reported in the newspaper.
>
> The prosecutor then confirmed that the Crown did not propose to appeal the sentence. The prosecutor went on to explain that I had my civil remedies, which I understand means that I can sue my attacker for damages, or that the Criminal Injuries Compensation Board can settle with me and then sue Mr. Marquardte, if they choose to, under their rights of subrogation.
>
> My concern is that I have lost my livelihood, have and will suffer terrible pain, will have to undergo extensive surgery at least twice, may loose the use of my leg forever; and my assailant has scarely lost any time away from his job after admitting that he tried to kill me.

Where is our sense of justice? It is not enough to have law and order. What we need is a balance in our approach to justice in our system.

Some hon. Members: Hear, hear!

Mr. Friesen: Then he goes on to say:

> I must now spend years in civil litigation against my attacker or elect to claim from the Criminal Injuries Compensation Board who can only award a maximum of $15,000. Is that justice?

Is it any wonder that law abiding citizens, peaceful people in our country, are discouraged? I think that the throne speech is woefully lacking in the attention it pays to the needs of the common, ordinary citizens who are entitled to a return to

morality and justice, and to a balance in that area. Sooner or later we must come to a time when the criminal has to accept responsibility for the consequences of his behaviour. As I said before, a situation where prisoners get hot lunches and guards get cold lunches is not acceptable.

A fourth and final area to which I should like to address myself is in regard to the lack in the throne speech of any mention of the need for increased medical research. I know there will be others in my party who will address themselves to this matter, but again this is an ominous and condemning example of the scale of values that the government has established for itself: help to criminals, nothing for those who are incapable of helping themselves.

The Minister of State for Fitness and Amateur Sport dwelt on the need for social services, and I agree with this because we do need that kind of help. But she said nothing about the fact that the government has made cutbacks in medical research. I want to refer to some statistics, which admittedly are a number of years old, but that makes it even worse because since that time the government has cut back even more.

I wonder if hon. members are aware of the fact that Canada spends per capita only one sixth of the amount on medical research that the United States does. Canada spends $2.08 per capita and the United States spends $12.91. These statistics relate to the time before the government announced its so called austerity program and before it made cutbacks in funding for medical research several months ago. How much more shameful is the situation today.

I should like to refer hon. members to the statement made a few days ago by the president of the Association for the Mentally Retarded. Here we come to what could be construed as being very crass and cold dollar and cent statistics on the care of the mentally retarded. The president of that association said:

> As an illustration, the lifetime cost of serving one person severely mentally crippled by a preventable condition or cause may be conservatively estimated at $400,000. For instance—

He gives the name of the disease which I cannot even sneeze out, let alone pronounce.

> —phenylketonuria, a condition which produces massive brain damage, is one condition for which research has given us the means of detection and prevention. In a year, screening turns up an average of 20 PKU babies who, untreated, represent a potential lifetime bill to Canada of $8 million for each year's crop.

If you want to look at the crass dollar and cent expenditures you see you find what a foolish way it is to exercise austerity to take away money for medical research which would prevent this kind of expense. But how much more debilitating and soul destroying is the knowledge of all these people who are trying to help those who cannot help themselves, how much more discouraging is it for them to realize that here we have a government which is cutting back on medical research rather than trying to help those people who need help the most. This is the kind of government we have. It is time we had a restoration and a balance, as well as a sense of proportion, in the way in which the government applies its energies to help those who cannot help themselves and make us a kind of people who can face each other with a sense of honour and dignity.

I cannot in all conscience support the motion of the hon. member for Restigouche (Mr. Harquail) and his colleague, as good as their speeches were, and I am happy to support the motion of our leader that we have no confidence in this government.

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I should like to raise a subject with my colleagues in the House which deals with the matter of what we as a parliament can do to control government spending.

In the Speech from the Throne a subject matter was raised which I think is worthy of a rather prolonged debate in the House, that is, a debate between the proponents of a greater involvement of the state in the economy and the opponents of a deeper involvement of the state in the economy. However that debate may proceed, there is no doubt at all that there has been an enormous increase in the spending of the state and that this parliament, through its various committees, is not in a position, in my view, to control this government spending in the way that is expected of it. So the purpose matter of my remarks in the throne speech debate is to raise this issue among us and to make some suggestions of ways in which the government itself might contribute, and ways in which parliament by changing its committee structure might come to a better control of government spending. The stakes are very high, and they are not only in monetary terms.

The size of the public sector today is very large. It is estimated that governments at all three levels spend some 40 per cent or 39 per cent of the incomes in our country. They spend that proportion of the total economic effort registered as the Gross National Product. It may indeed be the view of some, which I do not share, that the public sector may become so large, or is already so large, that it may tend to destroy the very market system it is designed to support and regulate. We noted in the Speech from the Throne that the decision of the government was to proceed down a middle road as between increasing involvement or lesser involvement in the economy. Whether the government is able to proceed down this middle road will depend in some part on how this parliament can control government spending.

● (1730)

The point I am going to make is that we do not now control government spending except in a technical, legal or constitutional sense because, after all, parliament is the sovereign. But as a parliament we do not have the means—and I include hon. members on all sides of this House—to hold any government to the middle road, or to any other road, because we do not have the structures here which would enable us to play that role.

In my view it is urgent that we find new means of controlling government spending so that we can influence the degree of involvement which we feel appropriate for the state in the

market economy which we wish to see continued. It is urgent also because there is already such a built-in bias in public expenditure growth that, unless we find better mechanisms, the state will perforce play a much greater role, whether or not it is described as a middle road.

The suggestion I want to make is that the government itself should be publishing annually a white paper giving a five year record of what it has spent, in some detail, and including a five year forecast of what it plans to spend in the coming five years. For example, with the appropriate committee structure we should be able to look in some detail at what happened between 1971 and 1975 and with some considerable detail at what the government plans for the years 1976 to 1980 with respect to expenditures on all programs.

I think that such an annual white paper would put us in a position to grasp the totality of the increase in government spending spread over a period of time, and that it would show the extraordinary rise which has taken place. It would also no doubt show us that there is no real strategy for containment or reduction in the plans for the future. We would at least be in a better position, if we saw those plans, to exercise some judgment and restraint. We cannot exercise that judgment or control if we as a parliament do not have the mechanisms to do so. The case I am putting is that we do not have those mechanisms. I am going to ask also whether we have the will to create them. It is important to do so not just in terms of partisan debate over whether a program should be expanded or not, but, more significantly, whether the market economy will survive the incessant growth of the public sector, a growth which proceeds at rates of increase substantially in excess of the average growth rate of the economy. Therefore unless we find better mechanisms, the public sector will inevitably get larger and larger.

The white paper which I am suggesting on the part of the government—and in a moment I will come to parliament's part as opposed to the government's part—would also put hon. members in a position to tackle in a more effective way the question of wastage in expenditures.

And now what about ourselves as a group of members of parliament as opposed to ministers? I think we ought to admit that the experiment in having standing committees review the estimates is only a limited success. I personally doubt that the standing committee approach is adequate to our needs. I doubt it in part because we fragment our view of government spending when we deal with it by separate departments. For example, there is a group of 20 of us who will be considering the expenditures of the Department of Regional Economic Expansion, and another 20 who will be considering the expenditures of the Department of National Health and Welfare. And so it goes. But we do not have any vehicle by which we can look at the totality and the plans, and get an over view, and thus try to find some means of control, which is something more than a recording of what has been happening and a reporting back in a manner that is not really an effective control.

I think we must go beyond the standing committee approach to another device, and the suggestion I make is that we no longer look at the estimates through the various 20 or so standing committees, but that we consider a single expenditure surveillance committee. Perhaps it should be quite large—40 members or so—because its members may have to divide into subcommittees. It seems we should have a single expenditures control committee or surveillance of expenditures committee—or call it what we will—which would examine, as the present standing committees do on a selective basis, some departments where there is special interest, grouped perhaps more into larger categories than presently. However, apart from looking at the Department of National Health and Welfare and the Department of Regional Economic Expansion to use the same two examples, it would have as its main function the question of examining the over-all rates of spending, the over-all balances between departments and programs in terms of that five year plan which I have suggested, and in terms of what we on our part feel is appropriate for the dimensions of the public sector within the total economy and in terms of the requirements of a market economy for some control on this really unrestricted growth of the public sector.

The main duty would be to make comparisons, reach a view, and make greater efforts to get at the question of control, which parliament has really lost.

I think one of the questions which is most exercising our constituents today is control of government expenditure, and I do not think we are in a position to respond to them. That puts us in the position where we are going to face increasing cynicism about parliament as an institution. There is no doubt that the public is right, and it is not just because of the restraint program which is currently in operation. It is not just because expenditures have increased. It really is because of the basic issue of what is the role of the state in a market economy. We are not in an adequate position to influence that expect in ineffective debate. We need a mechanism which will help us contribute in terms of control of actual spending.

● (1740)

There is one other point I should like to make with respect to my suggestion for a new committee. It has been discussed recently in the House of Commons Committee on Procedure and Organization, as some hon. members will be aware. This kind of committee would be a counterpart, as it were, to the Standing Committee on Public Accounts which looks at the record after the money has been spent; what we really need now is a similar over-view committee that looks at all the estimates taken together before they have been accepted. The present fragmented approach through the standing committees will not give us sufficient leverage to exercise the parliamentary function of control over spending before they are agreed to in the House.

A further point which is worthy of consideration is whether we ought to have the budget debate much closer in time—perhaps it cannot occur simultaneously with the estimates, but we should be looking at taxation and supply questions as well as spending questions much closer together in time.

I entered this debate on rather short notice, Mr. Speaker. While I feel this is one of the most important questions to which we could turn our minds, I also know that we will have an opportunity soon to look at the recommendations coming from the Standing Committee on Procedure and Organization. I hope we will give more attention to the matter of a revised committee system, certainly not from the point of view of change for the sake of change but to ensure that we can do our part to keep government on that middle road.

Some hon. Members: Hear, hear!

Mr. Peter Elzinga (Pembina): Mr. Speaker, along with my colleagues in this Chamber I am very pleased to participate in the opening debate of this second session of the Thirtieth Parliament. As a member who came here first in 1974, and having participated in the first session of this parliament which was the longest in the history of our country, I found it rather refreshing to hear the Speech from the Throne on Tuesday of this week. In many ways, even though I am in opposition, I was rather pleased with what I heard.

I think one should bear in mind though that a Speech from the Throne is nothing more than a collection of high-sounding words until the government decides to act or implement it. We should also remember that a good many of the promises made in the last Speech from the Throne have not been kept so perhaps I should review a list of those unkept promises.

In the last Speech from the Throne we were promised new consumer credit legislation, including the disclosure by lenders of effective rates of interest on loans; total revision of bankruptcy law to help the consumer debtor; the improvement of urban and inter-city transportation services; legislation to provide for an efficient port system; measures for government intervention in cases where a Canadian company may be prevented by its foreign ownership from fulfilling export orders; revisions to the Public Service Staff Relations Act; human rights legislation; provisions to broadcast the proceedings of the Commons. We see several of these items again in this Speech from the Throne. The government also has not delivered on guarantees for the domestic control of uranium mining. It makes me wonder just how much of this Speech from the Throne will be implemented.

I should like to quote some portions which I find encouraging, and yet which are hard to believe. The speech is reported in *Hansard* for Tuesday, October 12, and on page 2 there appears the following passage:

> . . . the government will continue to practise fiscal restraint. The control of inflation will remain the single most important condition for economic stability in Canada, even after price and income controls are removed. Determined restraint in fiscal and monetary policy is essential to the long-term control of inflation.

I am puzzled when the Prime Minister (Mr. Trudeau) makes the statement that he is going to restrain government spending, and yet when we examine the facts we see that he is not. That is amazing, Mr. Speaker. The Prime Minister said exactly the opposite in his musings last New Year to what is stated in the throne speech. At that time he said we needed more government intervention in the private sector.

In the New Year's Eve message the Prime Minister stated we were going to have more intervention in the private sector, yet in the Speech from the Throne he states that he would like to leave things more to the private sector. We have seen this flip-flop so often with this Liberal administration, Mr. Speaker. We saw it in 1972 when our party campaigned on certain proposals and was severely criticized for them, yet when this government was in a minority situation it implemented pretty well what we had campaigned on. In 1974 we saw exactly the same thing. As I said earlier, Mr. Speaker, I am still optimistic that it will implement certain areas of the Speech from the Throne and I feel that many are noteworthy.

Another promise which appears on page 2 of *Hansard* is as follows:

> The government will introduce measures to assist small businesses by improving local access to financial assistance and other services provided by government departments, the Federal Business Development Bank, and financial institutions in the private sector.

The merger of the Unemployment Insurance Commission with the Department of Manpower and Immigration is also proposed. This is a measure which my good friend, the hon. member for Hamilton West (Mr. Alexander) has advocated many times in this House. Moves are proposed in the area of labour-management relations. I think this is important and I hope some proposals are forthcoming. One only meeds to look around at the difficulties experienced on the labour- management scene today, such as the day of protest organized by the Canadian Labour Congress. Also mentioned is the National Transportation Act. We have been promised amendments to this act before, but to date no concrete steps have been taken to improve it.

One thing that is noteworthy is the absence of specific programs in an area that perhaps concerns the Canadian population more than any other, and that is the matter of criminal law or correctional philosophy.

There was no mention whatsoever of the constitution in the Speech from the Throne. We have seen how significant the constitutional debate is to the governing party with the resignation of the Minister of National Defence (Mr. Richardson).

As I have said on several occasions, Mr. Speaker, the purpose of politics is not to justify our own existence but rather it is to dedicate ourselves to the welfare of our country and its population. As my leader and others participating in this debate said so well, it appears that the government is concerned strictly with the winning of elections. There is a limit to the power of governments; they cannot solve all our problems. Therefore we must, as individuals concerned about the welfare of our country, strive to make this a better country for all our citizens, but I seriously question whether this government is doing that.

● (1750)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, would the House be willing to call it six o'clock?

Mr. Deputy Speaker: Does the House agree to calling it six o'clock?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the speech that the Minister of Finance (Mr. Macdonald) made earlier today, he made one statement which I thought was very important. As I took it down, these were his words: "This government has no intention of participating in or permitting a dismantling of the socially progressive society Canadians have built in this country." I regard that as a noble sentiment. It is one to which I hope we can hold this government.

It is true that during the last half century Canadians have managed to build a socially progressive society. At least we have moved in that direction. Most of it has come about since the end of World War I. Indeed, the greater part of it has come about since the experience this country had in the 1930's.

I may also say, as everyone knows, that most of it has been in the form of legislation we have won because of the prodding of those who have sat in this House under the leadership of the late J. S. Woodsworth, the late M. J. Coldwell, the present member for Nanaimo-Cowichan-The Islands (Mr. Douglas), David Lewis, and our present leader, the hon. member for Oshawa-Whitby (Mr. Broadbent). It is true that governments of other parties have put the social legislation on the statute books, but what a struggle it has been to pry it out of them. However, now that we have it I am glad that this government states categorically that it does not want to participate in the dismantling of our socially progressive society.

None of us imagines that the government would actually dismantle that society by taking it apart or by abolishing some of the social legislation that has been passed. However, the main point I want to make in my remarks tonight is that the progress we have gained can be lost if it is not kept up to date. If the social legislation that is on our books is treated with indifference, treated as though we have achieved the last word and have nothing more to do, the value of that legislation can be whittled away just as much as if it were actually dismantled.

My plea tonight is that this government not forget its responsibility to make improvements in the pieces of social legislation that we have on the statute books of Canada.

I have quite a number of things that I want to mention, so I will have to speak briefly about each of them. I suppose in effect what I am doing is indicating the things that I think ought to have been in the Speech from the Throne. If these things had been in the Speech from the Throne, it would have been a much brighter, more hopeful document than the one that was read to us a couple of days ago.

First, despite the fact that the Old Age Security pension is ever so much more in dollars today than it was when it was started back in the middle 1920's, most of our senior citizens 65 years of age and over are having a difficult time to get by. Even with the supplements they get in one form or another, in a society in which the cost of living is rising, and in which the standard of living is improving, thus creating a different milieu in which these people are living, they are finding it difficult to get by on the amount they receive.

In my view there ought to have been in the Speech from the Throne a commitment to increase the basic amount that is paid under the Old Age Security Act. That basic amount at the present time is $100 as specified in the act, plus the escalation that has taken place, which brings it during the present quarter to $139.39 a month. In my view that amount ought to be greatly increased. As a matter of fact, in light of today's cost of living and in light of our responsibility to our older people, it ought to be as high as $250 or $300 a month. But I suppose it is just as unrealistic to expect that substantial an increase all at once as it was when I argued that it ought to be $50 when it was only $30. However, we should be moving in that direction. What we should have before parliament at the present time is a proposal for a substantial increase in the amount of that pension.

• (2010)

At the same time, Mr. Speaker, I insist that the time has come for a lowering of the eligible age, certainly for all those who are out of the labour market. The spouses' pension that was introduced in June of last year recognizes that there are people between 60 and 65 who should be given a pension under the Old Age Security Act, but that is all that can be said for it. The means test on that spouses' allowance, and the fact that it is payable only to a person between 60 and 65 years of age married to and living with an older spouse, cut out widows, spinsters, widowers, bachelors—a great many thousands of people in that age bracket who are just as much in need of pension income as those who happen to meet the conditions of that provision. This, of course, would be taken care of if my proposal were accepted, namely, that all persons between the ages of 60 and 65 who are out of the labour market should be entitled to receive the basic old age security pension and the guaranteed income supplement as well. So I put that down as an item that is missing from the Speech from the Throne but which ought to be there.

While I am talking about old age pensions—and the same point applies to the rest of the pensions—I suggest the time has also come for a revision of the formula under which escalation takes place. Members on the government side frequently get up, as did the Minister of State responsible for fitness and amateur sport (Mrs. Campagnolo) this afternoon,

and tell us that the government has provided escalation that enables pensioners to keep up with the rising cost of living. It does no such thing; they are always behind. The consumer price index measures price increases in a general way and does not necessarily cover the things our elderly people actually have to buy. Whether it is quarterly or annual, it is always three or four months, eight or ten months, or even a year or more behind.

I contend that the escalation formula should be put on a current basis so that in any quarter recipients of old age security or other pensions receive an escalation that will enable them to meet the rising cost of commodities in that very quarter. That is at the top of my list in the Speech from the Throne, Mr. Speaker. These substantial improvements in the Old Age Security Act ought to be in that speech.

I call also for significant improvements in the Canada Pension Plan. There were doubts about this plan in some quarters when it was brought in, but it has proven to be a very successful piece of social legislation, so successful in fact that some of us think it should be greatly improved. The main improvement that in my view should be made is that the plan should be amended so that the pension that one receives on retirement is more than the present 25 per cent of one's average earnings over the prescribed period. There are those who have advocated that it should be as high as 75 per cent, but certainly we should move to 40 per cent or 50 per cent very soon.

There are two or three other aspects that ought to be improved. The requirement that a contributor be in the plan for three years before there is a survivor's benefit, or for five years before there is a disability benefit, does not correspond to ordinary insurance practices, and I think those provisions should be changed.

Tonight I wish to emphasize in particular that the two changes that the Minister of State referred to this afternoon, although they go in the right direction, do not begin to provide equality for women under the provisions of the Canada Pension Plan. Let me examine the two things that are being done, as outlined quite correctly this afternoon by the minister. First, there will be a provision that when marital breakdown takes place, whether divorce or separation, the total assets, whether there is one contributor or two, will be divided between the two partners fifty-fifty. But there is no improvement in the total situation of the two spouses; it is a case of splitting assets, and you only get a so-called advantage if you have a marriage breakdown.

The other provision that was announced this afternoon—at least, spelled out this afternoon; it has already been announced—is one regarding women who are in the work force and therefore contributors to the Canada Pension Plan, who take a few years off to stay in the home to raise their children, and who then subsequently go back into the work force. They will be permitted to drop out from the computation of their pension benefit those years that they spent at home.

That is fine, Sir, but what about the wives who have spent the whole of their married lives at home raising the children, looking after their children and their husband, playing their part in the life and work of that couple or family? There is nothing for them at all. They are not contributors so therefore do not get an advantage. The fine principles which were referred to by the Minister of State will not be realized until there is full equality. I realize she referred to the fact that there is equality at death: when a female contributor dies, she can leave the same benefit to her surviving widower that a male contributor can leave to his surviving widow.

Mr. Guay (St. Boniface): That is equality.

Mr. Knowles (Winnipeg North Centre): That is equality that you get at death. You also get equality in terms of a fifty-fifty split in your marriage breaks down, and you get some consideration if you have been in the labour force, stayed out for a while to raise children, and then you return. But if you are an ordinary spouse at home the whole of your married life there is not one cent of benefit for you.

I contend that that is falling far short of equality between men and women. I noticed the other day that the hon. member for York South (Mrs. Appolloni) asked the minister whether the references in the throne speech to pension improvements meant that housewives were now in the Canada Pension Plan. The very guarded answer that the Minister of National Health and Welfare (Mr. Lalonde) gave made it clear that they are not.

I know a little about the Canada Pension Plan. It is a wage related scheme, and there are technical difficulties working it out and so on. But we will not have done the fair thing and established the kind of equality that we talk about until there is for homemaker spouses, in one way or another, the same pension benefits that there are for women, spouses or single, who are out in the labour market. This is extremely important, and I hope in this session when we deal with human rights legislation and have more amd more said about equality between men and women that this will be done. It should have been included in the throne speech itself.

I am also sorry that there is no reference to the position of the blind and disabled. It used to be that every time we made improvements for other categories, their position was improved as well. But since we have got into old age security, the Canada Assistance Plan, into services and so on, there does not seem to be special consideration for the blind and disabled. I appreciate the fact that there is to be a social services act before us in this session and it may be that under it, with the co-operation of the provinces, something more will be done for all persons who need assistance. However, I am sorry we have reached the point where the blind and disabled do not get the special attention that I think they deserve.

I move on to list two or three more things that I feel should have been in the Speech from the Throne. One of them has to do with the position of retired civil servants, and I couple with them retired Royal Canadian Mounted Police personnel and retired Canadian Armed Forces personnel. Generally speak-

ing, the pension plans respecting these groups have been greatly improved, but there are two or three pieces of unfinished business that some of us thought we were going to get resolved during the last session, especially when we were dealing with these matters before the special joint committee on employer-employee relations in the public service. However, in the end we lost out. It is most unfair that some persons who worked for the government in one way or another can get the escalation in their pensions prior to age 60 while others cannot. Those who feel this discrimination the most are retired RCMP personnel and retired members of the Canadian Armed Forces. That is a point I hope will be looked at more seriously during this session than was the case during the one that finished a couple of days ago.

● (2020)

I also press the point which again we thought we were going to have dealt with during the last session, and that is the position of the widows of any members of these groups, retired public servants, retired RCMP personnel or retired armed forces personnel, where the marriage took place after the contributor had gone on pension. In these days it can happen that the second marriage may last longer than the first one, yet we have this rule that denies to a widow in such cases the right to a pension when the husband dies. We had representations from delegations here during the last session who made the point extremely well and we were given the impression that the government was sympathetic, but in the end nothing was done to right this wrong.

Those are points that ought to be taken care of and there are others that affect retired public servants, retired RCMP and Canadian Armed Forces personnel, but I put these two points before the House with particular emphasis. I suggest there ought to have been references to them in the Speech from the Throne and I hope something will be done about them during the course of this session.

As I speak about these groups of retired persons I mention in particular the matter of escalation. Let me say that one of the most significant reforms we have won around here in recent years was the provision for the escalation in pensions at least in keeping with the rise in the cost of living. When we applied it to old age security we had to go on and apply it to retired public servants and all other groups, including those who draw war veterans' pensions and allowances. I deplore the kind of attack that occurs in some of the financial papers in this country against this principle of escalation. Usually the line is that others do not get it, so why should these groups get it? The answer to that is that all groups should get it. What we have started by way of providing escalation to old age pensions, pensions of retired public servants and others who work for the government, should be extended to apply to all pensions in both the public and private sectors.

Another area in respect of pensions which has concerned me all the years I have been in this place and which I think should have been in the Speech from the Throne has to do with pensions of retired railway workers. It is now over two years since Dr. Noel Hall was commissioned to study and report on all railway pensions in Canada. I suppose the number of questions I have asked the Minister of Labour (Mr. Munro) about that report, such as when were we going to get it, is legion. I understand he does now have the report, that it is being translated, and that sometime fairly soon it will be tabled. I understand also it will be printed in large enough quantities so that all those who are interested will be able to get copies of this important report. The next step will be to implement the recommendations I am sure that report will contain.

I cannot imagine that Dr. Noel Hall could have spent two years examining the pension situation so far as railway workers in this country are concerned without coming up with recommendations that call for improvements. Many railway pensioners have died in the two years he spent carrying out the study. Let us not take two, five or ten years to make the improvements he will probably be recommending. We call for action soon, not just by the publicly owned Canadian National but by the privately owned Canadian Pacific as well.

As I say, that is another of the items I think should have been in the Speech from the Throne. I have already made the point that if the things I have been lining up for a throne speech had been there it would have been a much better document than the one read to us in the other place a couple of days ago.

I come to the last of the items I wish to mention and these have to do with veterans. First I should like to commend the Royal Canadian Legion on "Operation Service", a program or project the Legion has in effect right now under which it is trying to locate veterans, or their widows or survivors, who may not have known the benefits that were available to them, in the hope that they can now apply for and obtain those benefits. I am glad to see the publicity that has been given to this project, not only by the Legion itself but by others. I hope it will result in many cases of veterans or their survivors obtaining the benefits which are available to them but about which they have not known.

I am happy to say there have been improvements. The present Minister of Veterans Affairs (Mr. MacDonald) has given us good leadership in this area and has fought hard for veterans in the Cabinet and we like what he has done. The fact is that this far away from the wars, and in a time of restraint, to get anything done for veterans is significant. We are glad that improvements have been made. But even in the last session when we were making the improvements involved in the bill that dealt with pensions for prisoners of war the government overlooked two or three things we had recommended, and I should like to put them in my proposals for a more adequate Speech from the Throne.

First of all, when we provided pensions for those who were prisoners of war we provided them only for those who were prisoners during World War II. We covered those in Hong Kong and in Europe, but there are still around aged veterans who served in World War I, who were prisoners of war and had horrifying experiences, yet they are not covered. The

number of dollars it would cost to provide pensions for the few of them around would be almost nothing. To have overlooked them I think was a disgrace, and I hope we may yet cover that inadequacy.

The government also erred, the committee did not, last session in not including pensions for those who were escapers or evaders. The prisoner of war compensation goes only to those who were actually in the prison camps, but there are others, at least one of whom is a member of this House, who spent months in Europe afraid for their lives as escapers or evaders, and it seems to me they should not be overlooked. I should like to see them included.

A very important recommendation was contained in the report of Dr. Hermann, and that had to do with widows of veterans on disability pensions. It was the same recommendation that Mr. Justice Mervyn Woods made when he gave us the Woods report several years ago.

As matters stand, if a war veteran is on a disability pension of 48 per cent or more and dies, his widow gets the full widow's pension, but if the veteran's disability pension is less than 48 per cent she gets zero—no pension at all. Mr. Justice Woods recommended, as did Dr. Hermann, that there should at least be pro rated pensions for such widows. Two or three times in the parliament before last, in the last one and in this one, the standing committee has recommended that this change be made, but the government turned us down. This ought to have been included in this Speech from the Throne. I hope it will be considered during the course of this session.

The other point I wish to make is that in terms of veterans' affairs some very real improvements should now be made in the War Veterans Allowance Act. It has been a good piece of legislation and has filled the bill in many cases where the Pension Act which provides war disability pensions did not, but it seems to me that this long after the wars we have had, at this stage when our veterans from those wars are getting into the upper years so far as age is concerned, we should move more in the direction of a guaranteed annual income for those veterans. I want a guaranteed annual income across the board. I hope we move in that direction and I hope the discussions between the federal government and the provinces produce something along that line soon—soon, please. But if it is going to take time to do this for the whole population at least we can start with an adequate and guaranteed annual income for war veterans, and this could be done under the aegis of the War Veterans Allowance Act.

Mr. Speaker, I agree with the Minister of Finance in what he said this afternoon, that there should be no dismantling of the socially progressive society Canadians have built in this country. But that means more than just not taking destructive steps. It also means we must keep all these measures up to date. Therefore, I contend that the things that I have talked about tonight, such as improving old age security, the Canada Pension Plan, pensions for retired civil servants, pensions for RCMP and Canadian Armed Forces personnel, for retired railway workers and certainly for veterans and their survivors, are things which ought to have been in this year's Speech from the Throne. If they had been it would be a much better speech than the one that is before us.

• (2030)

Mr. Art Lee (Parliamentary Secretary to the Solicitor General): Mr. Speaker, it is always indeed a pleasure and honour to follow the last hon. member who just spoke very ably on the Speech from the Throne. As a member who had the honour and distinction of seconding the motion in reply to the Speech from the Throne in the first session of this parliament I would like to congratulate the hon. member for Restigouche (Mr. Harquail), and the hon. member for Lafontaine-Rosemont (Mr. Lachance), for their excellent speeches the other day. I should also like to congratulate all the new ministers on their appointments, particularly the new Solicitor General (Mr. Fox). He is certainly handling a difficult situation in the British Columbia Penitentiary very ably, and I look forward to working with him as his parliamentary secretary.

I rise to enter this debate to express to the people of my great riding of Vancouver East and my province how I feel the Speech from the Throne will better their lives. I do so not only as a British Columbian but as a westerner. What is a westerner?

In my speech during the debate on the Address in Reply to the Speech from the Throne in October, 1974, I attempted to define a westerner as follows:

> It is true that Canada is made up of many diversified regions and economies. It is equally true that western Canada in its make-up is not homogeneous but is, in reality, very heterogeneous. There are, however, some regional traits common to British Columbia, Alberta, Saskatchewan and Manitoba.
>
> First, industries in western Canada are predominately resource-oriented. Second, westerners are individualists; each of us has a feeling that we can make our own way and direct our own life. Third, westerners judge a person for what he or she is, and not so much on the basis of where he or she comes from. Fourth, westerners take great pride in our earnest hopes for a unified Canada based on the diversity of our ethnic origins.

An hon. Member: I think you got that from *Chatelaine.*

Mr. Lee: No; it is from my speech during the last session. Because of these regional traits we feel that the west is unique. We are more confident. We are more optimistic. We are more outward looking. Economically most of us westerners believe in the free enterprise system and undoubtedly welcome decentralization of decision-making, especially decision-making on the federal scene. That is why I, as a westerner, am gratified to see this government outlining a legislative program that strengthens the faith in the individual and strengthens the capacity of the market system. Among other things, the encouragement to small business, and the Human Rights Act are welcome words to westerners.

What does the west want?

An hon. Member: They do not want Liberals.

Mr. Nystrom: James Richardson.

Mr. Lee: We want to do our own thing. We want to shape our destiny in Confederation. One thing which we westerners want is an atmosphere in which individual enterprise and the

market economy can thrive. I shall not reiterate the reasons and the encouraging results of the government's control program, for others have done so. I would, however, like to say a word about the day of protest.

An hon. Member: Lang and Goodale have got to go.

Mr. Fraser: What do you have in common with Goodale?

Mr. Lee: An extreme amount. He is a westerner as well.

The labour movement has held a day of protest against the anti-inflation program. The methods used by some of the trade union leadership in seeking the support of their rank and file membership have unquestionably cast a shadow upon their credibility and, more important, have left many of their rank and file with doubt that their leadership believes in the protection of one of the hallmarks of our great democracy, namely, the freedom to dissent.

A peaceful protest is a part of a democratic tradition, and I support the right of any and all Canadians to make representations to the government or to criticize governmental policy at any time. But from my point of view the trade union leadership has not made the right decision on the anti-inflation program. The program to restrain prices and wages was the government's response to a world inflationary trend which, in Canada's case, was combined with an unacceptably high level of employment. For some weeks before the program was introduced public opinion polls showed that the majority of Canadians wanted the government to do something to stop inflation and turn it back.

This time last year an inflation rate of more than 10 per cent a year was making it very difficult, if not impossible, for ordinary Canadians to make ends meet. Fear of still higher prices was causing trade unions to ask for wage increases of 20 to 25 per cent or more in a one-year contract. Companies were unable to predict their costs even three months ahead and they were forced to make their prices subject to revision without notice.

Nobody likes controls. I don't like them. The government does not like them. We would all like to get out of controls as soon as possible. Critics of the program are insisting that the government get out of the program now. But this is not what the majority of Canadians want. The polls show Canadians have some reservations about some aspects of the program, but they want the restraints to continue, at least for a temporary period.

Since the program came into effect we have made some encouraging improvements in price levels. Prices are still going up, but not as fast as a year ago, and remember it is a control program, not a freeze. In September the rate of increase in the consumer price index was 6.5 per cent over September 1975. This compares with a rate of 10.6 per cent a year ago.

On the wages and salary side, the Anti-Inflation Board is approving increases that average between 11 and 12 per cent for 1975-76. It is quite obvious that workers are now keeping ahead of inflation, whereas a year ago wages were falling behind price increases. On average, workers are 4 per cent better off in real take-home dollars, not inflated dollars, than they were a year ago.

I hope that labour's day of protest did not involve any breaches of the law. We all recognize the right of citizens to protest against government policy, but a general strike could breach collective agreements and therefore could be illegal. The labour movement has a vested interest in maintaining its collective agreements.

● (2040)

Following the day of protest I urge trade union members to get behind the program and help us reach to our goal sooner. I also urge them to tell their leadership to accept the invitation of the Prime Minister (Mr. Trudeau) to continue the consultation meetings which were started last June. The door is still open.

Another thing we westerners want is a unified Canada based on the diversity of our ethnic origins. We westerners regret the resignation of the former minister of national defence, one of our spokesmen in government. Although I respect his decision, I believe it was premature. The discussions and negotiations between the federal government and the provincial governments regarding the patriation of the constitution have not been concluded. Unfortunately I feel that his resignation has again crystallized the issue of billingualism.

As a Canadian of Chinese ancestry, who has unfortunately lost most of the use of the Chinese language, I can understand and sympathize with those who wish to preserve the French language in Canada. This worth-while and earnest attempt to preserve and foster the French language is not an easy goal to obtain. The government has recognized this in the Speech from the Throne by placing more emphasis on teaching French in the schools.

Certainly it is difficult being a western representative. Often when I travel in western Canada I hear words such as these, "You should be ashamed of yourself, selling out western Canada to Quebec—let them separate". I can assure my fellow westerners that it is equally difficult being a representative from Quebec. My colleagues from Quebec, I am sure, often hear words such as, "What are you doing there in Ottawa selling out our interests to English speaking Canada? Let us separate".

Canadians in the past have faced, and undoubtedly in the future will face, these emotional questions. As a westerner I am confident that we will respond positively because we westerners take great pride in our earnest hopes for a unified Canada based on the diversity of our ethnic origins.

I wish to touch on another thing that we westerners want. We westerners want freer trade. First, let me lay a myth to rest. Let us consider the Canadian tariff. Protectionism costs Canadians money—Canadians from coast to coast. Beat protectionism down and everyone will benefit, easterners and westerners alike. We are all consumers whether we live west of the Rockies or east of the Ottawa river. Do away with import duties and we will all be better off from an economic point of view.

What then is the present political climate for this long standing dream which we westerners have? Trade policy, or to use the term that economists prefer, commercial policy, is a matter of the highest importance. In fact it relates to a subject that is centuries old. But the fact remains that it is more important today than ever to determine whether we are to establish our policy by basing ourselves on the past or by looking toward the future. The problem was most recently brought up very forcefully in a report of the Economic Council of Canada in a document entitled "Looking Outward" which deserves very special attention.

Essentially the Economic Council of Canada's report suggests that Canada adopt a new commercial policy. This policy would be one that has always been advocated by westerners, namely, freer trade. The logic of those who drew up the report lead them to say freer trade would mean greater producer specialization, production spread over a longer period of time, and lower costs. As for the consumer, he or she would benefit from a movement toward freer trade in that prices would be reduced both for imported products and for products manufactured in Canada, while at the same time he would have the advantage of the wider choice of goods to purchase.

What is of equal, if not even of greater importance, is that the council maintains that unless we adopt a freer commercial policy, our relative position internationally will continue to deteriorate. Already it can be observed that during the past few years Canada has gone from our traditional second to eighth place in terms of our standard of living. Although I realize that such international comparisons of standards of living are subject to technical criticism, the fact remains that such a relative decline gives food for thought. I believe that Canada should adopt a gradual policy which works towards freer trade.

I believe that the conclusions of the Economic Council of Canada on this subject are correct and therefore should have generated a much wider national debate than they have before. We must debate openly and candidly what our intentions should be as regards the future of our commercial and industrial policy. The issue is not a partisan one, it should not be a regional one, and it must be addressed soon. It must concern labour as well as management. Long after our price and income controls are finished and forgotten, the consequences of the policy decisions taken over the next few years will affect the lives and livelihood of Canadians well into the 1990's.

I am concerned that to date the report has generated so little discussion. I must say that whatever discussions have taken place have left me somewhat disappointed by their superficial and, let's say the word, frequently too nationalistic character.

I take the liberty of emphasizing the fact that we must not confuse our more emotional short-term feelings with a rational analysis of what could be beneficial for all the provinces of this country over a long period of time. The 23 recommendations made by the Economic Council of Canada illustrate clearly the exhaustive and practical nature of its analysis of Canadian commercial and industrial policy. Oriented toward the reduction or abolition of tariff and non-tariff barriers to international trade over a period of time, they do not neglect various matters connected with foreign investment and the operation of multinational companies. Moreover, the council looks at and recognizes the problems related to economic dislocation, the adjustment process, and the additional administrative requirements.

I want to reiterate that my primary objective and hope as a westerner are to generate a much more vigorous and positive debate on the whole body of problems posed by the report of the council. That report must absolutely be given every consideration, and I encourage the government to do so.

Perhaps it would be a good idea at this point to summarize the basic advantages that greater freedom of international trade would have for Canada. Forecasts for economic gain from the elimination of tariffs are from 5 per cent to 10 per cent of the Gross National Product. As regards producers, Canadian corporations would benefit from the specialization which would be brought about by increased access to foreign sources of raw materials and to foreign markets.

This would enable them to use their capital more effectively by channelling it into activities where there was higher productivity, and by reducing under utilization. In the same way, workers could benefit from better paid jobs since their productivity would be higher. It is believed that Canada will have to face a probable shortage of workers during this decade. Consequently, according to the council, possible unemployment should not be a major obstacle to the enactment of its recommendations.

● (2050)

The advantages Canadian consumers could draw from a liberalization of trade are evident. The effect of the reduction or abolition of import duties on goods entering Canada would be to reduce or even eliminate some hidden subsidies presently paid by consumers. Even if this means only a few cents here and there, over-all import tariffs represent quite a heavy price to pay for the maintenance of often short term production opportunities in Canada. As a secondary consequence greater interdependence between nations through liberalization of trade should dampen domestic inflationary pressures, a result which must also be considered beneficial to consumers, particularly those people on fixed incomes.

The recommendations of the council are therefore aimed essentially at the liberalization of Canada's international trade with other countries on as broad a basis as possible. Thus the council feels we should do everything in our power to lower both our own barriers to trade and those of other countries by seeking to form free trade associations with other countries, for example, with the United States, the European Community, and Japan.

I repeat that I am here as an advocate of freer trade, but one who realizes the issues are complex and there are no easy solutions. I do feel, however, that the council's report is a serious effort to deal in a practical fashion with a body of economic problems which Canada will have to face in the coming years.

Aside from the more or less traditional arguments that I have cited about basing international trade on the most productive industrial sectors of a country, the economic council also emphasizes the appearance on the scene of other international forces which indicate that trade liberalization offers a more advantageous future for Canada.

Among the trends that have developed during these last decades, one of the most significant is without doubt the creation of integrated international economic systems. While 20 years ago there were more than 20 developed countries in the non-Communist world, each having an essentially separate economy, today we are confronted with the economic superpowers, namely, the United States, the European Economic Community, and Japan. The other economic entities seem very small by comparison with this trio of giants. The thrust of expansion in these affluent economies is generally orientated toward industrial activities requiring advanced technology and intensive utilization of intellectual resources. In the manufacturing sector, at any rate, the key to efficiency is modern organization of production, that is, large-scale production necessitating a vast industrial infrastructure and a very high degree of product specialization.

Mr. Oberle: Is this still the west you are talking about, Art?

Mr. Lee: Yes, it is something I hope your party stands for as well, freer trade.

The emergence of a certain number of new "Japans" is a phenomenon of equal importance. These are developing countries—Taiwan and Singapore, for example—which show great ability to produce technologically uncomplicated goods such as those Japan manufactured before the Second World War. And as was the case in Japan in that era, the wages paid by industries in those countries are relatively low, labour is industrious, their machinery is advanced technologically, and hence their products are quite inexpensive.

These countries export a large part of their production to the richer, more industrial countries such as Canada, where they easily compete with comparable, although more expensive, local products.

These changes in the international economy are of particular importance for a country such as Canada, for while we are an economically advanced state, the size of our internal market is too small to enable us to increase adequately our level of efficiency through mass production and specialization in our manufacturing sector. This situation limits our ability to compete with the production of the major industrial nations and the newly industrialized areas of the Third World. This is increasingly the case not only in foreign markets but also even within Canada. Moreover, it tends to prevent Canadian industries from undertaking the development of technological innovations which could make up for the disadvantages stemming from high unit costs.

Canada is thus caught in a vise between industrialized countries and developing countries. As time goes on this pressure on Canadian industry will continue to get more intense.

[Mr. Lee.]

The practical character of the council's recommendations therefore is underlined by the emphasis placed on the need to establish an over-all major program of industrial readjustment with high employment, of which the costs would be a matter of community rather than individual responsibility. As hon. members can see, this is the only equitable course, insofar as Canadian society as a whole is concerned, which will reap the benefits of trade liberalization.

The practical nature of the council's recommendations is also reflected in recognition of the fact that it will be extremely difficult for Canada to gain increased access to foreign markets. Although since the Second World War there has been a notable drop in the customs duties charged by the industrialized countries, particularly from the prohibitive levels they had reached in the 1930's, there has been observable for some time an appreciable multiplication of the non-customs barriers which have the impact of restraining foreign competition. Not only will these non-customs barriers be more difficult to remove, since it is easy to justify them for reasons such as, for example, national security or fraud protection requirements or dangers to health and safety, but the mere detection and defining of these barriers pose numerous problems which must be overcome if trade liberalization is to have any real meaning. In short, our country must be prepared to make concessions in some important areas of domestic policy in order to remove obstacles to our exports.

Nevertheless, the most relevant argument advanced by the Economic Council in support of its recommendations is precisely one which I mentioned earlier, namely—according to some statistics—the drop from second to eighth position internationally in Canadian income per capita, since the Second World War. If at least some of the changes advocated by the council are not made in the commercial and industrial policy of Canada, low productivity levels could remain a problem for our country, and its international position or the real income per inhabitant could continue to fall relatively in the 1980's and 1990's. The question is whether Canadians are prepared to accept this to protect the status quo.

If the answer is affirmative, then they need not heed the recommendations of the Economic Council. But if the answer is negative, then they will at least have to examine carefully and discuss the matters raised by the council.

In conclusion, I strongly feel, as a westerner, that there should be a much more vigorous debate on the Economic Council's report on commercial and industrial policy. If I have encouraged the government to read this report, which will not grow stale over time, and to think about it in the months to come, I shall have attained my goal. Thank you for your attention.

● (2100)

Mr. Arnold Malone (Battle River): Mr. Speaker, I take pride in rising to speak so early in the debate on the Speech from the Throne in this second session of the Thirtieth Parliament. It is also interesting to follow the hon. member for Winnipeg North Centre (Mr. Knowles), who spoke a few

moments ago on the need for increased pensions. It almost makes one wonder whether he ought not to have been declared to have a conflict of interest for the stand he took.

I was amused, though, at the rather latex imagination displayed in the interpretation of the Speech from the Throne made by the hon. member for Vancouver East (Mr. Lee). I could commend the hon. member, however, for some of the other thoughts he expressed. The only sad thing is that those thoughts were not expressed in the Speech from the Throne nor was there any indication that they might be used in forthcoming legislation.

A careful reading of the Speech from the Throne indicates that it must have taken a search of two volumes of the thesaurus to find a definition of the world "hollow"; I am sure this is the only Speech from the Throne that will echo when we drop it.

The Liberal party told Canadians in 1974 that the issue was leadership. I think there was nothing in this country's history as important as October 12 to demonstrate that that is a fact. That is probably the only true statement they made in the 1974 leadership campaign.

There was one omission from the speech that I think was obvious to every Canadian. If we recall for a moment the first session of the Thirtieth Parliament we remember that two of the important thrusts at that time were the abolition of capital punishment through Bill C-84, and the accompanying Bill C-83, the act to tighten up security in this country. Virtually every Canadian recognized that Bill-83 was simply a cosmetic measure to try to get the capital punishment bill through this House.

The fact is, Mr. Speaker, that our prisons have been getting very drafty lately; people are going in and out of prison just like they go in and out of the theatre. It was a natural follow-up to the last session that there be something in this Speech from the Throne about law and order. The problem has been documented by recent events, particularly in the federal prisons and most particularly the prison in New Westminster, British Columbia.

There is in Canada today what we would have to call a law and order crisis. If we were really to talk about security in this country under a Liberal government, we would conclude that we would have greater security if the citizens were locked up and the prisoners let go free.

Bill C-83 introduced in the last session of this parliament was in truth nothing more than a gimmick to get Bill C-84 through the House. That has been proven by the fact that in the Speech from the Throne there was no further thrust toward peace and security in this society. This flies in the face of some very devastating facts, and we note that the gun control legislation was really a fly coil collection of concepts jumbled together in a manner that in no way linked one to the other. It was put before the House, and dragged on for months on end simply because the government had not made a sincere or earnest attempt to do something about law and order.

I think it is time we looked at some of the facts relating to peace and security in this country to see exactly what is happening. In a recent 12-month period four prison employees have been killed; since 1970 60 prisoners have committed suicide, 14 inmates have been slain, and a much larger number were bludgeoned, beaten or stabbed. In the last ten years there has been a 90 per cent increase in violent crimes. Three out of every four prisoners are graduates of the prison system. Prisoners are simply being recycled. We do not have a prison system in Canada; all we do is reintroduce them to their old homes.

Last year we spent $256 million to house some 9,000 men and women in federal penitentiaries, which is three times the amount spent only seven years ago. If the annual prison bill continues to increase at this rate, by 1984 it will be in excess of $1 billion. I think we have to ask ourselves to what extent are we going to provide federal funds, government funds, taxpayers' funds for a prison system that is not working.

There is no doubt when you get well over three-quarters of the prisoners re-entering the prison system, when you get stabbings and killings taking place at the present rate, when the prisoners are becoming the rulers of the prisons, that there was an obvious need for something in the Speech from the Throne that dealt with law and order. That was omitted, and it simply underscores that Bill C-83 was gimmickry when it was introduced in the last session. The government talked about peace and security but it had only one thing in mind, and that was the abolition of capital punishment. It achieved this without giving Canadians an assurance that it would do something about peace and security. I think more Canadians would have accepted the abolition of capital punishment had the government acted in exactly the reverse way—had it done something about peace and security first and then come in with a position on the abolition of capital punishment.

The annual cost of maintaining a prisoner in a maximum security prison is 60 per cent more than the average Canadian industrial worker earns. I think that underscores one of the faulty priorities we are imposing upon our society—when we simply recycle people at a maintenance cost considerably higher than the average Canadian is earning today.

The basic cause of the problems in our prison system is the government's ambivalence and its confused policy on peace and security. The government is in a spin; it is totally unsure of its priorities. It does not know whether a prisoner should be rehabilitated, whether he should be punished, or whether the intent of prisons is to protect the public. On any one of those objectives ministers tinker and experiment at great risk to the public at large. I think we can say with considerable assurance that the government owes it to the Canadian people to come forward with something in a Speech from the Throne that will guarantee to Canadians a sense of security and a feeling of peace.

In this country we have the wrong attitude toward first offenders. Through the judicial system, first offenders today are getting off without any form of punishment whatsoever. In fact once a first offender is released it often happens that he is simply enticed, by the system itself, to repeat the crime.

Anyone who has ever trained a horse or a dog, anyone who has ever worked in the field of child psychology, is well aware that bad behaviourial patterns should not be allowed to be repeated time and time again. There can be no hope of successful rehabilitation that way.

Every farm boy knows that you cannot allow a dog access to the chicken coop all summer long and then in the fall of the year attempt to train him to keep out of it. Our court system today is saying that when a person commits an offence for the first time he should be allowed out on probation or let go free. What I am saying does not necessarily mean of course that every first offender should end up in jail; it just means that every first offender should be given some penalty.

If the government had any imagination it would design a system that would show first offenders that when you do not live within the law you have to face the consequences. I think that concept is missing from our law and order system today. Those who have disobeyed the law and have been the gainers because they disrespected the law obviously will be encouraged to repeat the commission of crimes. One of the most important omissions from the Speech from the Throne is this: the speech says nothing about law and order. That is to say, there is no hint at follow-up legislation to that proposed in the first session of the thirtieth parliament.

● (2110)

May I now deal with another subject of tremendous consequence to Canadians. I submit that misleading information coming from the federal government has caused tremendous damage to some regions of Canada and brought about what some in this country today call the beef crisis. People who talk about this crisis are really talking about the low prices cattlemen are getting for livestock to be sold for slaughter, that is, for beef.

In this country there is not a crisis in the beef marketing system; the crisis has to do with the Minister of Agriculture (Mr. Whelan). What has happened since the minister assumed his responsibilities? Between 1973 and 1974 we heard 29 ad hoc, short-term policy pronouncements affecting the beef industry, the third largest industry of this country. Those 29 ad hoc, short-term pronouncements tended to disrupt the market, alienated our American friends, and put ranchers and cow-calf producers in a net loss position, in that their production costs exceeded income. Sadly lacking is any long-term policy in this field. That is shameful. The meat packing industry is this country's largest food producing industry, and the third largest industry over-all.

Let us consider some data to see how important meat is in the economy. For example, please note that annually some 200,000 freight cars filled with meat products are shipped in this country. The meat industry is, as I said, this country's third largest; it is a $2.5 billion industry which pays $265 million in wages and salaries to employees here. Approximately 275,000 ranchers across Canada supply materials for the meat industry. Interestingly, about 80 per cent of Alberta cattle killed weekly ends up in the Montreal consumer market.

I do not for a moment think that the importation of beef from Oceanian countries, that is, from New Zealand and Australia, an importation which has depressed the meat industry of this country, has come about by accident. It is my firm conviction that our federal government planned such importation in order to keep meat prices down because it wanted to show that its anti-inflation program is working. When the Prime Minister (Mr. Trudeau) spoke in the Atlantic provinces he repeated, again and again, that the anti-inflation program is working. It was suggested that this is evident because food prices in recent months rose 6 per cent, whereas one year ago they were rising at the rate of 10 per cent. He repeated the same message in southern Ontario. As recently as one or two days he again said, on television, that the anti-inflation program is working because the cost of food is down.

The truth is that the cost of food is not down. One would find, if one itemized all food costs, that the price of all food except pork, poultry, and beef has risen. Consumers have made major savings in beef. In other words the Liberal government, which has most of its support and seats in two provinces of Canada, is saying to the ranchers and producers of Alberta and the other prairie provinces that they are expendable. The government is writing off the prairie provinces. It recognizes that it has no seats from Alberta. It is saying that it does not care about the damage it is doing to the enterprising ranchers of the prairie provinces: they are considered as expendable. Therefore the government intends to import cheap beef from Oceanian countries, beef which is sold at low prices, in order to prove that the anti-inflation program is working. That is an insensitive and callous position. It is wrong to fight inflation on the backs of those who are made the victims of a crisis brought about by the importation of cheap beef to this country. It is wrong in this way to write off certain voters.

Remember, we had a surplus of meat in this country because of the policies this government introduced in the first place. They date back to when the Liberal government introduced the LIFT program, which was designed to encourage farmers to take land out of grain production and seed it to grass. This policy encouraged the production of cattle. I submit that the LIFT program ought to have been called the goof program. That program brought about an increase in the country's cattle population, to the extent that as of February, one year ago, the cow and heifer population of this country had increased 45 per cent over that of one year before. We saw high levels of domestic over-production of beef, and now we see the devastating results of an increase of 139 per cent in beef imported from New Zealand, and of an increase of 10 per cent from Australia. This is wrong. The government is writing off people in regions where it has no political support. Is it any wonder that the government seems to be dividing the country instead of unifying it?

The government's policies are at fault. There is nothing wrong with Canada. I do not take the position that Canada is a country divided by nature. What is wrong is this: the government's policies have pitted one part of the country against another. Putting it another way, the government has

tried to trade off the loss of votes from the raw material and producing areas of this country against the gain of votes in the large transportation and population centres, which by their nature contain a larger number of seats and votes.

Let me repeat the importance of the meat industry to Canada. It makes annual sales of about $2.5 billion, is the third largest manufacturing industry of this country, ranks second from the standpoint of materials used, materials worth over $2 billion, spends about $5 million every day on livestock purchases, employs over 31,000 people, and pays $265 million annually in wages and salaries. Further, it contributes over $20 million annually in income taxes, and spends over $13 million annually for fuel and electricity. Yet the government is willing to write off that entire sector of the economy in the prairie provinces and southern British Columbia. It is saying these people are expendable, and it is doing this to prove that its anti-inflation program is working.

Mr. Hnatyshyn: The hon. member for Winnipeg South (Mr. Richardson) would probably agree with what the hon. member is saying.

Mr. Malone: I agree. Probably he is in Winnipeg, telling people that he likes some of the things he is hearing from my side of the House.

An hon. Member: Nonsense!

Mr. Baker (Grenville-Carleton): Read the last part of his letter.

Mr. Malone: May I refer to something else, which, ironically, shows what is happening in this country. The Prime Minister has created a new portfolio and appointed a new minister in charge of small business. Who can deny the importance of such a portfolio? Obviously it is important for us to give more attention to small business in this country. But the fact is, as can be documented again and again with good examples, the services and policies of the government are deliberately driving away small business from this country. If there is anything that could underscore that better, it would be a review of what the postal system is doing in relation to small business.

● (2120)

We are getting absolutely terrible service from two major post offices in my home province, namely, Edmonton and Calgary. In one rural post office in my constituency complaints have been received from Medicine Hat, Armstrong, B.C., Salmon Arm, B.C., Kamloops, B.C., Oshawa, Ontario and Edmonton.

One constituent who receives a regular mailing of a weekly paper has kept a record of dates on which he has received it. He received a paper on June 21 that was mailed on June 2, one on June 21 that was mailed on June 9, one on June 30 that was mailed on June 23 and one on August 17 that was mailed July 28.

Letters to the publisher of a local weekly from a disgruntled client states that it takes ten days for the paper to get from Stettler to Medicine Hat by mail, and eight days to Edmonton. The fact is that people can walk to either of those places in half that length of time. That is a literal fact. Virtually anyone, except the hon. member for Vancouver-Kingsway (Mrs. Holt), could walk from my constituency to Medicine Hat, but it takes ten days to get the mail delivered that distance.

One weekly paper laments that if the poor service continues, in due course it will be out of business. The government has the gall to give us what it calls a minister of small business while at the same time its actions and policies are driving small business out of a profit situation.

There are two or three other things I would like to put on record with regard to the Speech from the Throne. One deals with a request for an investigation into farm implement service. When the harvest season rolls around in the fall of the year, that is the time when grain people make almost all of their annual income. It might be said that a grain farmer can make several hundred dollars an hour during the harvest season. However, during this past harvest season the equipment repair situation was nothing less than atrocious. For example, on a major combine produced and serviced in the prairie provinces, there is a particular "V" belt. If that had broken on a machine this past summer, there was not another one available in any of the three western provinces.

It has also been reported and calculated that in numerous communities there have been waits of over two weeks for replacement parts for farm machinery during the harvest season. That should point out graphically that during the two to three weeks harvesting season, depending on good weather, parts for farm machinery should be available. There should be an investigation into the whole supply and service of the implement situation in this country.

It is incumbent upon the government to cause an investigation and have a hearing in the farm communities so that people involved in farming can voice their concerns and complaints. There should be some rectification of this problem that is causing serious economic concern in the wheat and grain producing areas of the prairie provinces.

It is not right for some people to be able to harvest a bumper crop when, because of a mechanical breakdown and having to wait several weeks for replacement parts, their neighbours must suffer a devastating loss.

I note also from the Speech from the Throne that the government intends to increase the status or importance of the female in society. While I commend and applaud those words, I cannot help but be suspect about their content.

We recently witnessed what was labelled International Women's Year. It was really nothing more than a $3 million campaign of "Why not?" buttons. That is no way to treat women in our society. If we did a study of what has happened to females in this country in terms of improvement of their status since International Women's Year, we would not see any improvement in the hiring rate of women in the public service. There has been no real improvement in terms of

legislative action in relation to women. The only thing that would be demonstrated, and demonstrated soon, in terms of women in this country that would help upgrade their status would be an increase in the number of women in the House of Commons.

I wish to give a concrete example. The government should take legislative action in relation to farm wives. Anyone associated with farming or ranching communities is well aware that the farm wife often works just as hard as the farmer. They work side by side. She often drives farm equipment and machinery, trucks grain in the fall of the year, and puts in a 15 to 16 hour a day during spring seeding and fall harvesting. What an insult it must be to that farm wife in April when her husband writes her off in income tax for $1,644. He could hire a man, but he cannot pay his wife. If he did, it would be considered as part of the family income. If the government is sincere about attempting to do something for females in this country, that is one place it could start to do something meaningful.

Some hon. Members: Hear, hear!

Mr. Malone: In a collection of throne speeches the government has talked about what it is going to do for women. It is high time that the women in this country asked when this action is going to come about. It should again be repeated that the best symbol of what will happen with regard to improvement in the status of women in this country will happen on October 18.

I wish to spend some time discussing another extremely neglected area in terms of the Speech from the Throne. I refer to the government's commitment to do something about the elderly in our society. Being elderly is not treated as a stage in the development of life. In many ways these people are treated as though they were a separate species. They are taken out of the main stream of society, often put into homes or, more often, made to feel as though they are without purpose, without participation, citizens of a different status from others in the adult society.

I cannot think of a more real plight or blight in society than the treatment given to senior citizens in this country. One answer might be to expend more money in terms of pensions. That might help to some degree. However, a government with any imagination would realize that the problems being faced by senior citizens go far beyond the simple financial status. They should be able to participate and have the opportunity to become fully involved in doing something. True, it may be at a slower rate; true, it may not be at the same pace. They are able to participate in their younger years, but there has not been a structural system set up in Canada today to allow these people in their golden years to have an opportunity to feel useful, as if they are people of self-esteem who can do something. This is robbing us of a great deal of talent, and moreover is creating tremendous expense not only in terms of human happiness but in terms of social cost and medical bills. It also treats them in a way in which we really would not want to treat the most lowly person in this country. The fact of the matter is that Canada was built by the senior citizens of this country.

• (2130)

Mr. Deputy Speaker: Order. I regret having to interrupt the hon. member but the time allotted to him has now expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: He may continue with unanimous consent. Is it agreed to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Malone: Thank you, Mr. Speaker. I heard the young maiden across the way say he thought this was my maiden speech.

Mr. Guay (St. Boniface): You have not changed all that much.

Mr. Malone: While talking of senior citizens I would also like to commend the new minister in charge of fitness and sport—

Some hon. Members: Hear, hear!

Mr. Malone: I have not come to the commending yet but to what she might do. Whenever we talk of fitness and sport, the general emphasis is on the youth. I hope the new minister in charge of fitness and sport will take it within her jurisdiction to look at senior citizens' homes. Because in truth, while they may not be the kind of people who will be challenging for Olympic competitions of some kind, fitness obviously is important to our senior citizens, just as it is important to the health of any other age group in society.

If there is any place where we need to talk about fitness and the availability of physical exercising equipment, it must be in relationship to our senior citizens. When we stop and think of the very poor architectural design of our senior citizens' homes, the fact that residents are often cooped up in one room with a hallway down to the dining lounge and with a piano at the other end, when we recognize that fitness is important to the whole circulatory and respiratory system, one of the things we should do is to expand the concept of fitness and sport beyond our young people to the senior citizens of our country. If we are talking about the health of a group of senior citizens, people who can fully participate in and contribute to our society, then it is incumbent upon us to try to extend to them all the amenities of life that are traditionally enjoyed by anyone of adult age.

One other concept I should like to put forward for the consideration of the House is that it would do us well to give consideration to establishing in each province in Canada a co-op store in which senior citizens can sell their products, such as doilies, pillow cases, sheets, bookends—whatever it may be—and receive a significant tax break. I make that suggestion on this basis. The truth of the matter today is that we always talk of giving more money to our senior citizens.

What we fail to do is provide an avenue by which senior citizens might become participants in their own well-being.

Whether this example I have given is utilized or not, it is imperative that we discover a method whereby senior citizens are able to advance their own status economically, have a sense of participation and a feeling that somehow they have gained more self-esteem because they are able to take part in the social and educational structure of Canada. A senior citizen has to be treated like a regular human being, not as a species separate from the rest of society. In other words, we need a whole rethinking as to how we analyse and talk about our senior citizens.

In the same vein, when talking about how the throne speech fails to recognize senior citizens, we should also take a look at the age group that is soon to become a senior citizen. In truth it can be documented by a considerable number of psychologists and sociologists that the vast majority of Canadians, without a shadow of a doubt, are not prepared for their retirement years. What happens is that they go into psychological depression following their working careers, and this often happens because no program has been established in this country, either through the industrial factory or by the public service, to prepare people for a meaningful, creative and involved retirement.

In the provinces and through the dominion government we provide a health scheme that pays for medical costs. What we have failed so miserably to do is to establish a preventative medicine system. In the same way, there is no preventative system in the social justice sphere that we spoke of earlier when talking about the prison system. I think we need to readdress ourselves not only to the problem of inflation but to our prisons, to agriculture, an area in which this country is falling far short of its potential, to the problems of our senior citizens, and more important, to opportunities for every region to be able to feel like it is a part of Canada, linked together by some kind of transportation system.

The subject of transportation has been in the throne speech for I do not know how many times now, but I do know that for at least the sixth time the Department of Transport has promised a complete review of the rail network on the prairies. Such a review is now back in the throne speech and all we can hope is that this promise will culminate in some action that is over 100 years late in coming. This has left the prairies still the producer of raw material and has made central Canada the sole manufacturing area of this country. The three prairie provinces are placed in a tremendous deficit position in the economic sense because of an inequitable freight rate structure.

It does not make sense that we in this country have a freight rate system under which it is cheaper to ship products from Toronto to Vancouver than it is to ship products from Toronto to Calgary. Nor should it be in this country that we have a kind of freight rate structure in which rapeseed as a raw material per rolling ton costs half as much to ship in the same kind of boxcar from Lethbridge to Toronto as it does to ship the processed rapeseed meal back from Toronto to Lethbridge, Alberta. You have the same tonnage, the same car style and the same mileage, but a freight rate structure that is obviously biased against a certain region of Canada.

The Prime Minister shrugs his shoulders and wonders why the Canadian people are wrong in not being able to understand that the country will become divided. Obviously it is going to be divided so long as government policies are divided. This is not a country that is bent on being divided, but we do have a government that is bent on dividing people.

I have been looking at what is happening in terms of transportation. We are going to establish a new port policy. A new port at Churchill which will increase the grain flow out of that port during the production year would be something that would reduce the transportation costs of prairie farmers. It would increase to a tremendous degree the amount of income which could be generated within the prairies. There would be a decrease in transportation cost resulting from opening the port of Churchill to handle a much greater proportion of the grain produced in the prairie provinces. But the fact of the matter is that the government has reneged on its promise over and over again.

• (2140)

An hon. Member: That's not true.

Mr. Malone: In response to the hon. member who just said that this is not true, let me suggest he has not been back to his constituency recently. His is a farming constituency, and if he had talked recently to any of the people there he would know that one of the things that is wanted and needed very badly for economic advancement is this improvement to the port of Churchill, and a whole new ports policy. This is a fact with which we have to reckon very soon.

Having regard to the throne speech, what we have again is simply a hollow piece of paper that echoes when it falls. It is nothing more than a collection of adjectives from a thesaurus. It is nothing more than the empty promises we continue to hear. All we can hope for is that legislation will in some way give the Canadian people some hope.

Mr. Deputy Speaker: Order, please. Is it agreed that we call it 9.45?

Some hon. Members: Agreed.

[*Translation*]

Mr. Deputy Speaker: It being 9.45 p.m., it is my duty, pursuant to Standing Order 38(3), to interrupt the proceedings and forthwith put any question to dispose of the subamendment which is now before the House. Therefore, the question is as follows:

[*English*]

The question is, therefore, on the amendment to the amendment. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

● (2150)

(Division No. 1)

YEAS

Messrs.

Benjamin
Blackburn
Brewin
Dionne
(Kamouraska)
Douglas
(Nanaimo-Cowichan-
The Islands)
Firth
Gauthier
(Roberval)
Gilbert
Jones
Knowles
(Winnipeg
North Centre)
Lambert
(Bellechasse)
Leggatt
Nystrom
Orlikow
Peters
Saltsman
Symes—17.

NAYS

Messrs.

Abbott
Alexander
Allmand
Anderson
Andras
(Port Arthur)
Andre
(Calgary Centre)
Andres
(Lincoln)
Appolloni (Mrs.)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Basford
Beatty
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Brisco
Buchanan
Bussières
Caccia
Cadieu
Cafik
Campagnolo (Mrs.)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Caron
Chrétien
Clarke
(Vancouver Quadra)
Clermont
Coates
Collenette
Comtois
Condon
Corbin
Corriveau
Côté
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Demers
Dick
Dinsdale
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Elzinga
Epp
Fairweather
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Gillies
Goodale
Goyer
Gray
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Hamilton
(Qu'Appelle-Moose
Mountain)
Harquail
Hees
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Horner
Huntington
Hurlburt
Isabelle
Joyal
Kaplan
Kempling
Knowles
(Norfolk-Haldimand)
Korchinski
Lachance
Lajoie
Lalonde
Lambert
(Edmonton West)
Landers
Lang
Langlois
Laniel
La Salle
Lawrence
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
MacDonald
(Egmont)
Macdonald
(Rosedale)
MacDonald (Miss)
(Kingston and the
Islands)
MacEachen
MacFarlane
Mackasey
Macquarrie
Maine
Malone
Marceau
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Marshall
Masniuk
Mazankowski
McCain
McCleave
McIsaac
McKenzie
McKinley
McKinnon
McRae
Milne
Mitges
Muir
Murta
Neil
Nicholson (Miss)
Nielsen
Nowlan
Oberle
O'Connell
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Reynolds
Roberts
Roche
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Scott
Sharp
Smith
(Churchill)
Smith
(Saint-Jean)
Stanfield
Stevens
Stewart
(Marquette)
Stewart
(Cochrane)
Stollery
Tessier
Towers
Trudeau
Trudel
Turner
Wagner
Watson
Whelan
Whiteway
Whittaker
Wise
Woolliams
Yanakis
Young—193.

● (2210)

Mr. Speaker: I declare the amendment to the amendment lost. It being after ten o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 10.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, October 15, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

SUGGESTED ESTABLISHMENT OF ACCIDENT INVESTIGATION COMMISSION—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise on an issue of urgent and pressing necessity. We are rapidly approaching the second anniversary of the Panarctic Air crash which dramatically illustrates the need for an independent accident investigation commission which the speech from the throne signally failed to mention. I move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That this House urge the government to introduce immediately legislation setting up this commission.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent.

Some hon. Members: No.

* * *

STATISTICS CANADA

PROPOSED COMMITTEE STUDY OF METHOD OF COMPUTING CONSUMER PRICE INDEX—MOTION UNDER S.O. 43

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I rise to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. Given that the government is about to manipulate and change the composition of the consumer price index, and given the importance placed on the consumer price index as a measure of the cost of living by governments, by business, by labour and by consumers, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instruct the Standing Committee on Finance, Trade and Economic Affairs to hold hearings into the composition, applicability, and accuracy of the consumer price index with power to call witnesses and commission research and that it communicate its findings to this House before the government makes any changes to the consumer price index.

Mr. Speaker: Order, please. The presentation of such a motion pursuant to Standing Order 43 can be put to the House only with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FAMILY OF THE LATE RIGHT HON. LOUIS ST. LAURENT

Mr. Speaker: Before proceeding with the oral question period I know that all hon. members will want to join with me in adding just another small tribute to those that have already taken place during the presentation of a bust to the House of Commons this morning and the unveiling of a statue in front of the Supreme Court of Canada by the Prime Minister, both events honouring a very distinguished former Prime Minister, the late Right Hon. Louis St. Laurent who is represented here by several members of his family. I should like to signal their presence in the gallery, particularly represented by his senior son, Monsieur Renault St. Laurent and Madam St. Laurent.

Some hon. Members: Hear, hear!

● (1110)

Mr. Speaker: Tributes, of course, were paid to the late Right Hon. Louis St. Laurent this morning by the Secretary of State and, also upon the unveiling of the statue by the Right Hon. Prime Minister. I may say that I would like to take credit for this suggestion, but I cannot in all honesty do so. The suggestion was made to me moments ago by the right hon. member for Prince Albert who has suggested that the text of both those addresses, in order that they have a special place in the annals of Canadian history, be appended to today's *Hansard*. If that is the wish of the House, it will be so ordered.

Some hon. Members: Hear, hear!

[*Editor's Note: For text of address by the Prime Minister see appendix A.*

For text of address by the Secretary of State see appendix B.]

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

EXTENT OF REDUCTION OF GOVERNMENT INTERVENTION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put a question to the Minister of Finance. Noting that the working paper with respect to the government's post control position concludes that there should be less direct government intervention and an increased reliance on the market economy, would the minister add credence to these words by indicating to what extent it is planned to arrest the growth of Crown corporations. For example, is it planned to abandon PetroCan's intervention in the market economy?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the role that Petro-Canada is already playing and can play as a catalyst in providing wider exploration in the frontier areas of Canada seems to be the very best argument for that kind of role by government. Indeed, there will be some areas where, for example, in manpower retraining, on which my colleague will have the occasion to speak, the role of the government will be reduced and that of the private sector increased. Particularly in determining the adequacy of Canada's energy resources and petroleum and natural gas resources in frontier areas, we still believe that Petro-Canada can and will play a very effective role.

Mr. Stevens: In view of the fact that the year old white paper entitled "Attack on Inflation" expressed the commitments "to reassess the costs to the private sector of many government rules and regulations" and to review the inflationary impact of its own regulatory agencies, and further noting that this commitment is reaffirmed in both the throne speech and the working paper tabled yesterday, would the minister point to any specific instances of deregulation or changes in regulation which will have the effect aimed for in the white paper and the subsequent references which I have noted?

Mr. Macdonald (Rosedale): Mr. Speaker, I am glad to have the occasion to refer again to the actions being undertaken by my colleagues with respect to the filing requirements imposed on the private sector, particularly the small business sector, which we think will be very effective in reducing the administrative load which those companies will have to bear in dealing with the government of Canada. We hope that, in turn, we will have co-operative action from provincial governments so that the collective imposition by government of regulations on the private sector will be reduced.

POSSIBLE INTRODUCTION OF NEGATIVE INCOME TAX

Mr. Sinclair Stevens (York-Simcoe): I have another supplementary question for the Minister of Finance. As the working paper dealing with the government's role in the post control period tabled yesterday states the following:

[Mr. Speaker.]

It will be necessary to pursue an examination of the integration of income transfers with the tax system.

Would the minister be more explicit and indicate to the House if this is a wordy way of stating that it is intended to introduce a negative income tax?

Hon. Donald S. Macdonald (Minister of Finance): That is not so. I would point out to the hon. gentleman that, indeed, under the arrangements for supplementary old age security payments we already have just such a system. It will be important to the activities of my colleague, the Minister of National Health and Welfare, and others of my colleagues to pursue ways in which the tax system can be integrated with the transfer payments we now have.

METHOD OF REVIEWING PROVISION OF GOVERNMENT SERVICES AND TRANSFERRING SOME TO PRIVATE SECTOR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Having regard to the gestures which the government has advanced, both in the Speech from the Throne and in the documents tabled yesterday, aimed at expanding the role of the private sector and having regard to the proposition that all federal government programs will be under review, can the minister advise the House just precisely what form that review will take, what criteria the review will be based upon and who will be conducting it? Would he also elaborate and tell the House what initiatives the government is planning to permit the private sector to provide those goods and services which were referred to in the document yesterday which are now being handled by government sources or agencies?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I think any elaboration I make today would follow on the comments of my colleague, the Minister of Finance. With regard to those services which are clearly public and the government responsibility, we are looking at our expenditures very carefully. Indeed, we have been doing that for some time now, and that is a process which I intend to continue.

With regard to those services which are being provided by Crown corporations, I do not think I can make any further comments beyond those my colleague the Minister of Finance made, except to say that the matter is under very serious review to determine what might be better provided by the private sector, but certainly with the proviso that those goods and services must continue to be made available effectively to the public whether through the private sector or through public intervention.

Mr. Mazankowski: Am I to take it from the minister's answer that this review will take place within the confines of the Liberal hierarchy and that it will not be a public review? Are we to assume that from the answer the minister gave, and if the minister is not going to establish a public review of government programs and services, why not?

Mr. Andras: I think the events of the last few days, particularly the comments in the throne speech and the document which has been circulated, to which the hon. member for York-Simcoe referred, are clear indications that we are going to seek the advice of a wide range of Canadians in different sectors of the economy in the process of determining what kinds of services could or could not be transferred to the private sector.

* * *

STATISTICS CANADA

PROPOSED COMMITTEE STUDY OF METHOD OF COMPUTING CONSUMER PRICE INDEX

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I would like to direct my question to the Minister of Industry, Trade and Commerce and at this time, my first opportunity to question the minister, I congratulate him on his recent appointment.

Some hon. Members: Hear, hear!

Mr. Saltsman: Given the importance of the consumer price index and the fact that many people are doubtful as to the veracity of the CPI, will the minister give an undertaking to this House to stop immediately any research on the proposed changes to the consumer price index and refer the question of the CPI revision to the Standing Committee on Finance, Trade and Economic Affairs for hearings, so an independent report may be brought back with recommendations to this House?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like to thank the hon. member for his kind wishes. If he has some concrete suggestions to make on the matter, he should send them to me. I think that we should leave the experts of my department to consider the problem and if changes must be made, we will discuss them with the committee. However, it would be premature to bypass the experts on this issue and open a debate which could be fruitless. I feel that I should first receive a report from my officials and refer it, if necessary, to a committee of the House.

[*English*]

Mr. Saltsman: I appreciate the minister's request for any suggestions. I put forward a very important suggestion that it go before a committee for examination. I certainly do not—and no member of the House of Commons does—have the research facilities to challenge the research facilities in the minister's department.

If I may point out to the minister that the public service is not—

Mr. Speaker: Order, please. The hon. member for Bellechasse.

● (1120)

[*Translation*]

INCOME TAX

INQUIRY IF INDIVIDUALS CHARGED INTEREST ON LATE PAYMENTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of National Revenue, but first I wish to congratulate her on her appointment and offer her my best wishes of success.

During the last session, in reply to a question which appeared under my name on the House of Commons Order Paper, the Department of National Revenue stated that there were up to $223 million in unpaid taxes by multinational and national corporations, arrears on which an interest of 6 per cent is charged. May I ask the minister whether the individual who is late in paying his income tax to the Department of National Revenue is treated on the same footing as these larger corporations, whether he is given a respite to allow him to pay his taxes, and whether the interest rate he has to pay is the same as that paid by the larger corporations?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I am not prepared to accept the premise of the question asked by the hon. member, but I would like first of all to thank him for his good wishes on my appointment to this new office. On the second part of his question, I think I can assure him that taxpayers who owe money to the government of Canada are always treated with the utmost consideration whenever they experience any difficulty. The employees of the local offices of the Income Tax Division meet them and discuss with them their financial problems and make some arrangements. I have never found a case where interest had been charged, but I shall look into this matter.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank the minister for this answer. As a supplementary question, I should like to ask whether, under the law, taxpayers who are required to file quarterly reports during the current year and pay their income taxes are penalized or will be penalized in the same way as large corporations which are behind in their payments?

Miss Bégin: Mr. Speaker, if I were a parliamentary secretary, I could refer the question to the minister for further information. I hope hon. members will allow me some time to continue my apprenticeship of the income tax legislation. For the time being, however, I am not in a position to reply to the hon. member.

[*English*]

ENERGY

CRUDE OIL—DENIAL BY ALBERTA OF FEED STOCK FOR PETROSAR—ALTERNATIVE SOURCES OF SUPPLY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Now that it has been confirmed that the Alberta Petroleum Marketing Commission is not going to approve Petrosar as an

approved buyer of Alberta crude oil for feedstock purposes in the chemical industry, can the minister tell us what plans the minister has to ensure a supply of crude oil for that major development?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it may be premature to put that interpretation on the news stories coming out of Alberta. I, for one, have not been successful in being able to clarify the position of the Alberta government on this particular issue. A number of messages were conveyed to them yesterday seeking a transcript of the premier's remarks and clarification of what they meant. We have not yet received them, and I am in the position of awaiting a reply to a telex sent to Mr. Getty dealing with that specific point.

Mr. Gillies: A supplementary question. I cannot understand the difficulty the minister is having with this communication because the statement was made by the premier of Alberta in the House the day before yesterday and as long ago as April 1974 a letter was sent to the chairman of Petrosar, with a copy to the Prime Minister, saying that Alberta was not going to permit its crude oil to be used as feedstock for Petrosar. I am concerned and I should like to know what the minister has done during the last two years because it was telegraphed to the country that Alberta was going to take this position. What contingency plan has been put in place by the government to deal with this important problem?

Mr. Gillespie: Mr. Speaker, I am not prepared yet to accept the assumption that the hon. member has made that there will be no Alberta crude oil delivered to the Petrosar plant.

Mr. Gillies: A final supplementary. I should like to ask the minister why he is not prepared to accept that assumption now that the premier of Alberta has made the statement in the legislature of Alberta that this feedstock will not be available.

* * *

BANK ACT

POSSIBILITY OF AMENDMENT FACILITATING APPOINTMENT OF WOMEN AS DIRECTORS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Finance. Will the minister tell the House and country if he intends during the present session to introduce legislation amending the Bank Act, in order to facilitate the appointment of women as directors of our chartered banks? I ask this as probably 75 per cent of bank employees and half of all bank customers are women.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have noted the statements of a number of senior bank executives in this regard. I am sure the hon. member was as delighted as I was at this morning's announcement that the Bank of Nova Scotia has now appointed a woman director. One of the principal difficulties drawn to my attention by the Bank of Nova Scotia was that the subscription requirement for qualification as a director would require the expenditure of about $100,000. Very clearly that is a disincentive. During the course of the Bank Act amendments we might take a fresh look at whether this requirement, which has been part of the Bank Act for a long time, might be reduced, in order to open up greater participation in such directorships not only to women but to others in the community as well.

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LABOUR CONDITIONS

REASON FOR FAILURE OF CANADIAN PRESS TO AGREE TO CONTRACT WITH EMPLOYEES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Labour. Since the Canadian Wire Service Guild was certified as the bargaining unit for 275 Canadian Press journalists and staff as long ago as September, 1975, and since there is still no contract, which, personally, I find a shocking disgrace—

Some hon. Members: Hear, hear!

Mr. Muir: —even though the Guild has been willing to submit to binding arbitration, can the minister advise the House what is preventing agreement on a contract, keeping in mind that this legal strike of Canadian Press employees affects 108 daily newspapers and about 200 radio stations, to say nothing of the hardship it is creating for the employees and their families.

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I welcome the hon. member's interest in this dispute. I think one of the many stumbling blocks concerns the question of union security. My officials have been meeting with the union and the publisher's executive committee, in an attempt to resolve this dispute and get a first agreement—so far without success. There is an indication that I may meet with them next week. I shall have a further report at that time as to where we stand.

Mr. Muir: A supplementary question, Mr. Speaker. I thank the minister for his reply and ask if he intends, as he intimated, to act in the matter, will he advise the publishers that this is 1976, not 1926 or even 1936 when we had to fight for union recognition? Bring them up to the present.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): Mr. Speaker, I will be more than happy to convey the hon. member's views to the publishers and note particularly that the Prime Minister refused to cross that particular picket line.

AGRICULTURE

BEEF—REQUEST FOR RESTRICTION OF IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question to the Minister of Agriculture relates to the Canadian beef import issue and has particular reference to the minister's news release of October 13 headed "Federal Actions to Protect the Beef producers." Since beef has been on the Canadian import control list all year, and since nowhere in the minister's statement does he indicate that this individual permit device will be used to restrict, reduce and, hopefully, temporarily stop Australian and New Zealand beef imports to Canada, will the minister indicate clearly if he finally intends to act now, in the interest of the Canadian cattle industry, by taking immediate action to restrict severely Australian and New Zealand beef imports and, in so doing, give protection to the Canadian cattle industry?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, as a result of government action no beef or veal will be allowed into Canada after Sunday night, October 17, unless by permit. That covers all nations presently exporting beef or veal to Canada.

BEEF—RIGHT OF UNITED STATES TO RESTRICT IMPORTS—GOVERNMENT POSITION

Mr. Bert Hargrave (Medicine Hat): A supplementary question, Mr. Speaker. I raise a further question relating to yesterday's meeting in Washington on the important beef import issue. Since Canadian meat exports to the United States now exceed 70 million pounds for 1976, some 5 million pounds above the first agreed level of our exports to the United States and, further, in view of the recent denial by the U.S. Acting Secretary of Agriculture, namely, that there was no U.S. agreement which would permit 90 million pounds of Canadian exports, does the minister still insist that President Ford has no right to halt Canadian beef imports, as the minister indicated last Monday?

● (1130)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, part of the agreement we have with the United States of America is on beef moving into their country and beef moving into our country. You can technically say the Acting Secretary of Agriculture is correct because there was no figure used. They were to notify us when our trade to them became abnormal and we were to notify them when their trade to our country became what we thought was excessive. That was not done. As far as we are concerned, negotiations in the United States yesterday went fairly well. Beef is moving freely into the United States as of today. I am sure the hon. member is aware that live cattle are still going to move to the United States and I am sure he is happy they went up $3 a hundredweight yesterday.

HEALTH

SWINE INFLUENZA—REQUEST FOR REPORT ON IMMUNIZATION PROGRAM

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, my question is for the Minister of National Health and Welfare. Will he inform the House about the present state of the selective immunization program against swine influenza in particular, why the program is behind schedule and any precautions the minister may have taken in view of reported complications in the United States?

Mr. Paproski: The Prime Minister has not taken his shot yet.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, as far as the complications in the United States are concerned, the hon. member knows that the disease centre in Atlanta is examining the situation very closely. Up to this time, there is no indication that the complications referred to in the press are related to the swine fluvaccine. There will be further periodic reports from that particular disease centre. With regard to the slight delay in the delivery of the vaccine, it is related to production and delivery problems from the European producers in particular. I understand that the first delivery of bivalent vaccine for the high risk groups should begin at the end of this month.

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ENVIRONMENTAL AFFAIRS

ALLEGATION DEPARTMENT WILL NOT HIRE NATIVES OF POND INLET

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of the Environment concerning what appears to be a clear case of racial discrimination by his department's officials. The chairman of the Pond Inlet Settlement Council, a Baffin Island community, has been advised by Department of the Environment official from Toronto that as a matter of policy his department will not directly hire local Inuit, Metis and Indians for this branch of the federal government service. Will the minister investigate this matter and report back to the House as soon as possible?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, I will certainly investigate this matter. If the facts turn out to be as the hon. member alleges, I can assure him that type of directive will be withdrawn.

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MANPOWER

CATEGORIES INCLUDED IN COMPILING UNEMPLOYMENT STATISTICS

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration

who I congratulate and offer my very best wishes, as well as my condolences, because he has a very difficult portfolio, even though he has taken some employees of his department from my constituency. In arriving at the unemployment figure, are those persons who are not on unemployment insurance who register at Canada Manpower Centres included and are those persons who are not on unemployment insurance who Canada Manpower does not or is reluctant to register for employment included?

Hon. Jack Cullen (Minister of Manpower and Immigration): I do not know the answer to that Mr. Speaker.

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PUBLISHING

REPORT ON CANADIAN BOOK PUBLISHING—DATE OF RELEASE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State. In congratulating him, I wonder if he is going to grow a beard which seems to be the symbol of that office.

Some hon. Members: Hear, hear!

Mr. Fairweather: Also, I would like to ask the Secretary whether he will be as forthcoming as a minister as he professed to be as a backbencher. Can he share soon with the rest of us a report on Canadian book publishing which for some strange reason is marked secret?

Hon. John Roberts (Secretary of State): Mr. Speaker, I have no immediate plans to grow a beard, but on the recommendation of the hon. member I will take it under advisement. I assure the hon. member that I plan to be as forthcoming as I always have been. It is our intention to publish the report to which he referred. I would like to have a chance to look at it more thoroughly than I have so far. I may have some comments to make at the time it is presented.

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ADMINISTRATION OF JUSTICE

GUN CONTROL LEGISLATION—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Justice. Will he advise the House as to what course the government intends to take with respect to the gun control legislation which met its demise with the end of the last session? What does the government intend to do in this regard?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the previous President of the Privy Council had some discussions with the House leaders. The present President of the Privy Council will be having discussions with his counterparts as to the legislative program of the government and will be seeking the unanimous consent of the House to reinstate the measure.

[Mr. Jones.]

Some hon. Members: Oh, oh!

Mr. Horner: It's dead.

Mr. Fairweather: The consent of the Liberal party.

Mr. Diefenbaker: In other words, the government is going to endeavour to resuscitate it and restore it to life. I, for one, am opposed to that.

Some hon. Members: Hear, hear!

Mr. Basford: Mr. Speaker, the reaction from the opposition appears to have simplified the discussions that my colleague, the House leader, intended to have.

Mr. Baker (Grenville-Carleton): The Liberal caucus took care of that.

Mr. Basford: However, I in no way want to discount the persuasive powers of my colleague, the House leader.

Some hon. Members: Hear, hear!

Mr. Basford: I hope that the jubilation of members opposite will not continue when, as will undoubtedly occur, there is a tragic shooting in this country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

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AGRICULTURE

POTATOES—REQUEST FOR ACTION TO STOP IMPORTS TO BRITISH COLUMBIA FROM UNITED STATES

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Minister of Agriculture. In view of the fact that the United States is sending in stripper potatoes to British Columbia, therefore depressing the price of potatoes in British Columbia below the price of production of British Columbia potatoes, can the minister tell us when he is going to put on an automatic surcharge against this unfair competition?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we are not going to put on a surcharge. We are going to announce a program of stabilization which will amount to payments to producers of their cost of production plus current input costs.

Mr. Reynolds: In view of the seriousness of this situation in British Columbia, can the minister tell us how quickly he will be bringing in that program?

Mr. Whelan: Mr. Speaker, we cannot bring it in before the final accounting for all shipments of potatoes is made. It will be done as soon as possible. We have the final figures for the early crop and are now working on that. There will be meetings with the potato growers concerned in western Canada.

INDIAN AFFAIRS

EXCLUSION OF NASKAPI INDIANS FROM JAMES BAY AGREEMENT—GOVERNMENT ACTION

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Is the minister aware that when the federal government signed the James Bay and northern Quebec agreement on November 11, 1975, the Naskapi Indians, indigenous to the area, had been excluded from the agreement, despite their genuine efforts to reach a responsible settlement?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. I have been made aware of this situation. We are trying to take steps to resolve this particular problem as quickly as possible. Some communications have been sent to me by the Naskapi Indians and I am trying to deal with this problem.

Mr. Holmes: The minister knows the federal government has a special constitutional and trust responsibility on behalf of native people and their lands. I would like to ask the minister if he can indicate if an agreement will be reached with the Naskapi Indians before the James Bay legislation is introduced into this House?

• (1140)

Mr. Allmand: I would have to look into that. We have a commitment to introduce the bill as quickly as possible and we shall probably introduce it within a few weeks. In the meantime, we are trying to resolve the problems of the Naskapi people.

CONTINUANCE OF LAND CLAIMS COMMISSIONER

Mr. F. E. Oberle (Prince George-Peace River): I should like to follow up that question by inquiring as to the present status of the office of claims commissioner established by the minister's predecessor. Will it be continued? Will this office and these activities be carried over into British Columbia where special problems exist as a result of the absence of treaties?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): I am not sure whether the hon. member is referring to the office which was held by Mr. Barber or not.

Mr. Oberle: No. I was referring to the office which was held by Mr. Digby Hunt, the commissioner they brought from the Yukon.

Mr. Allmand: Mr. Hunt's position will be filled very shortly.

Oral Questions

CANADIAN BROADCASTING CORPORATION

DELAY OF TELECAST OF COLLEGE FOOTBALL GAME

Mr. Gus MacFarlane (Hamilton Mountain): Mr. Speaker, my question is addressed to the Secretary of State who answers for the CBC. Is the hon. gentleman aware that the telecast of the Canada Save the Children college football game will once again this year be delayed by one day rather than coming live? Is this being done as a result of agreement or does it follow a unilateral decision by the CBC?

Hon. John Roberts (Secretary of State): I am aware of the situation. My understanding is that the college authorities themselves desired this course to be taken.

* * *

LABOUR CONDITIONS

STRIKE OF DOCKWORKERS AT HALIFAX—REQUEST FOR REPORT ON PROGRESS OF NEGOTIATIONS

Hon. Robert L. Stanfield (Halifax): A question to the Minister of Labour, Mr. Speaker. Does the hon. gentleman have any information he can give the House with respect to progress of his efforts to achieve settlement of the dispute which has tied up the Port of Halifax for many weeks?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker. I am continuing to urge the MEA to accept the terms of settlement. As the hon. gentleman knows, the union has accepted them. I understand the MEA is meeting with the Premier of Nova Scotia this morning. I might add that I received a telegram from the President of Dart Containers who do a considerable amount of work in the port advising me he has been in touch with the MEA expressing the hope that the association will accept the proposal because his company wishes to resume business in the Port of Halifax immediately.

* * *

ENERGY

REQUEST FOR SUBSIDY TO ATLANTIC PROVINCES—GOVERNMENT ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to address a question to the Minister of Energy, Mines and Resources. Can the minister advise us whether he is in a position to indicate the government's response to the urgent request from Nova Scotia and Prince Edward Island for substantial temporary aid by way of subsidy in connection with their serious problems in meeting excessively high energy costs, details of which I am sure are well known to the hon. gentleman.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I have nothing new to add on this question. The matter is under continuing study at the present time.

Oral Questions

FLOODS

GOVERNMENT REACTION TO PETITION FOR CONTROL MEASURES ON RIDEAU RIVER

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Has the minister had an opportunity to review the petition which was sent to him by some 500 residents on the Rideau river concerning flood control and the maintenance of the water level on the river? If he has had a chance to do so and consult his officials with respect to it, can he tell the House what he intends to be about this problem?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): I do recall some correspondence with respect to this matter; I do not recall seeing a petition. However, I will check and make sure that all the material is brought to my attention. I might say that as a result of the correspondence certain action is being taken.

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PENITENTIARIES

BRITISH COLUMBIA—TRANSFER OF INMATES TO WILLIAM HEAD INSTITUTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is addressed to the new Solicitor General whom I should like to congratulate because, finally, his talents have gained some recognition.

Some hon. Members: Hear, hear!

Mr. Munro (Esquimalt-Saanich): In wishing him good luck I feel obliged to sympathize with him, even to commiserate with him, because of the shambles left him by his predecessor.

Mr. Macdonald (Rosedale): Oh!

Mr. Paproski: You have all the prisoners on your side.

Mr. Munro (Esquimalt-Saanich): In formulating my question I should like to hope that the minister will manage to avoid—

Mr. Speaker: Order. If the hon. member has a question, will he please put it?

Mr. Munro (Esquimalt-Saanich): I was hoping he would be able to avoid the leather jacket. Can the minister inform the House whether some of the dangerous inmates from the east wing of the BC Penitentiary who held a guard captive at knifepoint recently at that institution are being transferred, or are to be transferred to, William Head on Vancouver Island—

Mr. Paproski: Why not Ivan Head?

Mr. Munro (Esquimalt-Saanich): —and, if so, when will the transfer take place and how many prisoners are involved?

[Mr. Gillespie.]

Hon. Francis Fox (Solicitor General): Mr. Speaker, I should like to thank the hon. member for his kind words. As far as the transfer of prisoners is concerned, possibly one third of the inmates there were already classified as medium security risks. I am informed that the only people being transferred out to medium security institutions from the BC Penitentiary are those who were previously classified as medium security risks.

Mr. Munro (Esquimalt-Saanich): I am sorry, but the minister's information does not appear to correspond with the information which is reaching me.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): I say this because extra security precautions would be required in advance of any transfer—

Some hon. Members: Order.

Mr. Munro (Esquimalt-Saanich): The minister has not answered my question yet. I am speaking of extra precautions either in the form of physical security—

Mr. Speaker: Order. The hon. member for Humber-St. George's-St. Barbe.

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HOUSING

POSSIBILITY OF ADDITIONAL FUNDS FOR REHABILITATION OF EXISTING UNITS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Bearing in mind that many people across Canada who own their own homes cannot, because of their low incomes and the effects of inflation, afford to repair them, can the minister tell us whether there are any plans to expand the funding for the residential rehabilitation program under NIP and Rural and Native Housing?

Hon. Barney Danson (Minister of State for Urban Affairs): I might tell the hon. member that funds have been increased for this year. The program is proving highly successful both in the NIP area and in the area of rural and native housing. I am presently looking at new approaches with a view to making the programs apply to a broader number of people, since it does rehabilitate existing housing, making it more attractive at prices people can afford. I give this a very high priority.

Mr. Marshall: Can the minister inform us as to the status of a request by the command of the Canadian Legion in Newfoundland for a $4 million program for the rehabilitation of veterans homes?

Mr. Danson: This is under review as a pilot project.

[*Translation*]

AIR CANADA

SUGGESTION CASE INVOLVING USE OF FRENCH BE REFERRED TO SUPREME COURT

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I would like to ask the right hon. Prime Minister a question.

Considering the decision of the Quebec Court of Appeal to reject the appeal by Air Canada in the case involving this corporation and French-speaking pilots who are members of the Quebec Association des gens de l'Air has the Prime Minister considered the possibility of availing himself of the power of evocation of the Governor General in Council, in the Supreme Court, so as to bring this issue before the highest judiciary authorities in the country and provide a clear interpretation of the Official Languages Act regarding its significance in the present dispute?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall consider this proposal very carefully. However, I am not in a position to answer one way or the other today, except to say that it is a very valuable suggestion.

* * *

● (1150)

[*English*]

LABOUR CONDITIONS

ALLEGED USE OF NON-UNION EMPLOYEES BY CANADIAN PRESS TO REPORT PROCEEDINGS OF PARLIAMENT—GOVERNMENT ACTION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Labour a question supplementary to one asked earlier in connection with the strike at Canadian Press. Is the minister aware of the fact that the proceedings of this House are being reported for Canadian Press by scab newsmen, and in view of the Prime Minister's quite proper refusal to cross a picket line arising from this dispute will the minister look into what can be done to stop this deplorable situation in this House of Commons?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am aware of the circumstances that led the hon. member to make these comments. I think he is as aware, as I am, that this is not a matter for me or the government to resolve. As far as the unfortunate strike itself at CP is concerned, we are going to do everything possible to resolve it.

Oral Questions

REGIONAL ECONOMIC EXPANSION

INQUIRY AS TO WHO IS AUTHORIZED TO SPEAK FOR DEPARTMENT IN BRITISH COLUMBIA

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I should like to ask the Minister responsible for DREE if he can advise me whether he or his senior officials have conferred some special mandate, some special tutorage, some special consultation in respect of DREE policy in British Columbia to the Parliamentary Secretary to the Solicitor General and former Parliamentary Secretary to the Minister of Consumer and Corporate Affairs, and to Mr. Hornby of the office of the Justice Minister, and to Senator Jack Austin of British Columbia?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware of such a mandate having been given to any people the hon. member referred to, but if he would be kind enough to be more specific I will try to answer.

An hon. Member: How specific can he be?

Some hon. Members: Oh, oh!

Mr. Brisco: Mr. Speaker, in light of the minister's comment I wonder whether he would either educate those individuals responsible or muzzle them so they will no longer come into Kootenay West spreading groundless rumours when in fact they have no foundation, and could he perhaps educate those people or put a muzzle on them—

Some hon. Members: Order, order!

Mr. Lessard: I will consider the matter, Mr. Speaker.

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AIR CANADA

REQUEST FOR TABLING OF AGREEMENT FOR LEASE OF AIRCRAFT TO CUBA

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In the past seven months Air Canada has lost two DC8's under lease to Cuba. Will the right hon. gentleman please table the agreement with Cuba and advise the House what is the *quid pro quo*? Just exactly what is he hiding?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member spoiled his question by the last phrase. I have answered this question before and refer it again to the Secretary of State for External Affairs.

[*Translation*]

PENITENTIARIES

GOVERNMENT ACTION ON REFORM MEASURES

Mr. Sean O'Sullivan (Hamilton-Wentworth): Mr. Speaker, thank you very much for the honour you have extended to me in allowing me to ask our new Solicitor General my first question in this new session.

[*English*]

He is a capable man and I wish him well. Having served with the Solicitor General in the past on a committee which investigated the Canadian penitentiary service I know that the Solicitor General, along with others, prepared very excellent reports which included suggestions for improvement. I ask the minister if he is now in a position to do something about this, and will he implement his own suggestions about reforming the Canadian penitentiary service?

Hon. Francis Fox (Solicitor General): Once again, Mr. Speaker, I should like to thank the hon. member for his very kind words. I assure him that I will always take my own advice very seriously.

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INQUIRY OF THE MINISTRY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Justice and relates to a question asked by the right hon. member for Prince Albert. Because of the humorous attitude of the government toward Bill C-83, which is now dead, will the minister confirm that the people of Canada were misled with the peace and security package which linked Bills C-83 and C-84, leaving parliament to vote for abolition of capital punishment without the accompanying—

Mr. Speaker: Order, please.

* * *

AGRICULTURE

BEEF AND VEAL—REQUEST FOR REPORT ON STATUS OF IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. Gordon Towers (Red Deer): Mr. Speaker, I had a question for the Minister of Industry, Trade and Commerce, but, because it is supplementary to one asked by the hon. member for Medicine Hat, perhaps I should direct it to the Minister of Agriculture. In view of the October 13 announcement by the Minister of Agriculture that "the Minister of Industry, Trade and Commerce has instructed that the general import permit for beef and veal into Canada be changed at midnight next Sunday", and due to the fact that importation of beef and veal from Australia and New Zealand is 60 per cent over the historical level at the present time, does this mean that imports will be cut off for the balance of the year or that New Zealand and Australian imports will enter Canada at the same price at which they are entering the United States?

Hon. E. F. Whelan (Minister of Agriculture): No, it does not, Mr. Speaker. Negotiations are going on with Australia and New Zealand at the present time. We are awaiting figures from Australia and New Zealand to confirm what commitments have been made. We will consider this, but that does not mean we will accept them as legitimate shipments to Canada. They will come under the same restrictions on Sunday, October 17, as those from any other country.

* * *

[*Translation*]

SOCIAL SECURITY

POSSIBLE INTRODUCTION OF GUARANTEED ANNUAL INCOME

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of National Health and Welfare. Considering that the minister already spoke about a guaranteed national income, can he tell the House now whether he will submit during this session a legislation regarding the application of a guaranteed annual income program which he himself promised?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, during discussions I had with the provinces in the past years and particularly last June, it was clearly agreed that no legislation in this regard would be submitted in the course of this session. It has never been considered.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

DATE OF PUBLICATION OF BADGELY REPORT

Mrs. Ursula Appolloni (York South): Mr. Speaker, will the Minister of Justice tell the House when we can expect to receive a copy of the Badgely report?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, my latest information is that I may expect to have it for publication in November. Whether some delays may occur, I do not know.

* * *

AGRICULTURE

CONCURRENCE OF MINISTER IN REDUCTION OF TARIFF ON CERTAIN FOOD ITEMS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct a question to the Minister of Agriculture which relates to the government ways and means motion and

custom tariff tabled in the House on October 13. In this schedule many food items produced in Canada have been subject to a reduction in the protection of duties levied on imports of these products. Was the Minister of Agriculture consulted before these reductions found their way into the ways and means motion, and does he agree that it is in the best interests of agriculture that these reductions be made?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure that if the hon. gentleman will study them he will find that these tariffs are insignificant, amounting to hardly anything at all. I was consulted and I was in agreement with them.

* * *

FISHERIES

CONCURRENCE OF MINISTER IN REDUCTION OF TARIFF ON CERTAIN FISH PRODUCTS

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I should like to direct a similar question to the minister responsible for fisheries. Fish and fish processed products coming into Canada have also experienced a reduction in protection by tariff levy. Does the minister feel this is advisable in view of the fishing situation as it presently exists in Canada, and the market structures as they exist?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I will have to look at the implications of the hon. gentleman's question and report to him at a later date.

Mr. McCain: Was he consulted?

* * *

TRANSPORT

ESTABLISHMENT OF ACCIDENT INVESTIGATION COMMISSION—GOVERNMENT POSITION

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, in the absence of the Minister of Transport I should like to direct my question to the right hon. Prime Minister. Will he assure the House that the government still intends to proceed with legislation to set up an independent accident investigation commission, and that its omission from the Speech from the Throne was not deliberate?

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I shall take the question as notice and give the hon. member a reply some time next week.

[*English*]

PRIVACY

POSSIBLE INTRODUCTION OF LEGISLATION PROTECTING INDIVIDUALS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Justice. In view of the fact that the Speech from the Throne promised legislation protecting the privacy of individuals, will the minister tell the House when this legislation will be introduced? Can he give the House the assurance that, unlike the limited bill which died on the order paper and which would have provided more protection for the government than for the individual citizen, the new bill will spell out in detail in the legislation itself the conditions under which information about the individual can be collected, stored and disseminated instead of leaving it up to the government to legislate by regulation?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I expect it can be introduced shortly, and I would expect that it will be considerably different from Bill C-72.

* * *

UNEMPLOYMENT INSURANCE

USE OF FUNDS TO SUPPORT JOB CREATION

Mr. Arnold Malone (Battle River): Mr. Speaker, I should like to direct a question to the Minister of Manpower and Immigration. I would refer him to the working paper entitled "The Way Ahead" which makes reference to experimentation in the use of unemployment insurance funds to support job creation. I would ask the minister to clarify whether such initiatives would be used to establish a program of income support for the low income employed, or would the money be taken directly from the UIC fund for job creation?

● (1200)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, it will be dovetailed with other funds to be made available to cover a whole series of projects under job creation and I will be speaking on this at some length I think during the throne speech debate.

ROUTINE PROCEEDINGS

[*English*]

TRADE

TABLING OF REPORTS OF TEXTILE CLOTHING BOARD

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), I wish to table a copy, in both official languages, of a report on

an inquiry respecting sweaters, cardigans and pullovers, from the Textile Clothing Board.

Mr. Speaker: Order, please.

Mr. Chrétien: I have more, Mr. Speaker.

[*Translation*]

Mr. Speaker, pursuant to Standing Order 41(2), I would like to table, in the two official languages, two copies of the report complying with section 19 of the Textile and Clothing Board Act and dealing with socks.

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Thursday, October 14, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Clark (p. 28).

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, the Speech from the Throne spoke abundantly of national unity. Paradoxically, in his reply to the House, the Prime Minister (Mr.Trudeau) did not breathe a word of it.

I refuse to believe, Mr. Speaker, that the Prime Minister chose deliberately to ignore the prime concern of all Canadians. In all indulgence, I attribute the behaviour of the leader of the government to the shock he must have suffered when his Minister of National Defence resigned for strange and enigmatic reasons. It therefore behoves us of the official opposition to make up for the pusillanimity of the Prime Minister in the House and broach openly this delicate matter which some would sweep under the rug.

To remain silent at this time would justly provoke the anger of my fellow citizens. To remain silent while federal institutions are cracking up in various places would amount to ratifying national suicide. People are well aware, Mr. Speaker, of the reaction against the implementation of the Official Languages Act, they are aware of the inequity suffered by many citizens for various reasons, and they are well aware that in the province of Quebec, resignation has given way to impatience to such a point that I feel in the majority of Quebecers, since 1973, a disgust which could soon be expressed in the provincial election by a spectacular increase in the popular vote for the independence movement and which could realistically give at least 30 seats to the Parti Québecois.

In this morning's *Devoir*, Mr. Michel Roy, with his usual insight, asked this question, and I quote:

> Does Canada want to separate from Quebec?
>
> [Mr. Chrétien.]

His intellectual integrity should have made Mr. Roy ask the real question, which is: Does Canada want to separate from the Liberal Party? We already know what would be the reply of the Canadian people. If the Liberals in Quebec are defeated in the next elections, I shall not be heartbroken, and I know that several of my friends opposite share this feeling. Moreover, the fact that a wish for change should be felt at all levels of society does not surprise me either; and if a new team should replace an inadequate team bogged down in mediocrity, this would not worry me in the least. What frightens me is that this feeling which is getting stronger and stronger in one of the two Canadian majorities has increased as the federal government has demonstrated inability, delays, contradictions and arrogance. And on this last point, neither the hon. member for Maisonneuve-Rosemont (Mr. Joyal) nor the Gens de l'air will disagree with me.

[*English*]

Mr. Speaker, on this issue of national unity, this speech from the throne is an indication of just how sad and muddled the present government is in its approach to the challenge.

Some hon. Members: Hear, hear!

Mr. Wagner: When the problem is people, they put their faith in a piece of paper. When the questions are complex, they hide behind the simplistic and the shallow. Let me be precise.

The question of the constitution is quite separate from the question of national unity. Only the most partisan of interests would suggest the blurring of both concerns—blurring, by the way, which could seriously make national unity the victim of a badly thought-out approach. The people of Canada want their constitution brought home. We want the right to be able to change the rules of the game in our own way as a mature and sovereign nation. We can benefit measurably from the final instrument of independence. That instrument, however, is not the panacea that the government opposite hopes it will be. It is, more realistically, a test—a test of the maturity of our nation, a test which we will have to respond to by both bringing it home and making it work for Canadians. It is a document which has not served this nation badly over the years, a document that can serve all Canadians more effectively at home.

I ask this government to be cognizant of one thing. The bringing home of a constitution is, in the thrust of things, a symbolic gesture symbolizing maturity, independence, consensus and unity. If it is done in such a way so as to threaten the very qualities the constitution seeks to symbolize, then the onus for that will be on the heads of this government and its leader.

● (1210)

The Prime Minister (Mr. Trudeau) might indeed like to see the members of our party oppose the return of the constitution so that he might fan this issue as only he knows how. But that will not happen. We are at peace with the patriation of the constitution. We embrace its importance and its significance. We understand what was to be the Victoria charter. We

understand what the premiers have said to each other and what they have said to Ottawa, and we are impressed with the room for moderation and understanding on all sides. We obviously have more faith than some opposite. Nevertheless, there is a way, based on further federal-provincial talks and a conciliatory attitude, for the thing to be done right, with guarantees for French and English Canadians and without defranchising any one section of this country. It would be fitting and appropriate if Her Majesty could celebrate her jubilee in Canada with a ceremony which passed Canada's constitution to Canadians.

Some hon. Members: Hear, hear!

Mr. Wagner: It would be quite a day if she could lend her imprimatur to a process that has brought Canadians together and unified this nation. This government has a duty to ensure that that is what happens, because that is what this great country deserves. But let this government, in dealing with the constitution, not overwhelm itself with delusions of adequacy. French and English Canadians have fears and concerns which have yet to be met and yet to be understood.

The principle of bilingualism is only valid when it means the same to Canadians as the principle of fairness. This government has somehow managed to divide the two principles in the minds of many Canadians. That is the single, greatest tragedy of the present government. That is the single, most gnawing doubt that attacks the very gut and fibre of our country. There the record of this government is a record of failure.

But the time for dwelling on that is not best spent here. Perhaps the cabinet might have its own discussions and sort itself out first. I say only this: Louis St. Laurent and the French fact were not unpopular in English Canada.

Some hon. Members: Hear, hear!

Mr. Wagner: Mike Pearson dealt with it adequately and fairly and made progress which was respected on all sides. The right hon. member for Prince Albert (Mr. Diefenbaker) made important strides, and did so with support from all Canadians.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Scarborough East (Mr. O'Connell) would like to ask the hon. member for Saint-Hyacinthe (Mr. Wagner) a question.

Mr. Wagner: I will be pleased to answer any question when I finish my speech.

As I was saying before I was interrupted, the right hon. member for Prince Albert made important strides, and did so with support from all Canadians.

Some hon. Members: Hear, hear!

Mr. Wagner: May I suggest that the days of dogmatism, of imbalance and of emotionalism are the days when bilingualism suffered its greatest body blows. The principle of fairness was the principle that the hon. member for Halifax (Mr. Stanfield) joined with others in the House to endorse and support.

Some hon. Members: Hear, hear!

Mr. Wagner: He believed, and I believe, as well as responsible English and French speaking Canadians believe, that the two principles are still synonymous. A parliament approves a principle; a government makes that principle operate fairly. This government has failed. It cannot make the principle work fairly because Canadians do not believe that if is fair or that it can be fair. All the deathbed conversions in the world will change nothing. The damage is too great. The wounds are too deep.

This country deserves a government that will make bilingualism and fairness synonymous, that will make equality of opportunity synonymous with encouragement, not with discrimination; that will make second language skill a factor of opportunity and not simply one of compulsion and threat.

[*Translation*]

Mr. Speaker, if the Prime Minister had not strived to systematically undermine our constitutional regime and to stealthily assume responsibilities which *de jure* fall under provincial jurisdiction; had he not, on so many occasions and against so many people, used abusive language; had he not given such hopes to so many Canadians whom he deceived eventually miserably; had he not been, regarding controls, so shamelessly deceitful towards the people, he would not have created around him such an hostile climate which now compromises even his most commendable initiatives.

However, the Prime Minister seems ill-advised to maintain that even general bilingualism in the public service of Canada constitutes almost the only condition of Canada's survival as a political entity.

Bilingualism is undoubtedly important for the future unity of Confederation. But this country's unity also requires the federal government to uphold a general policy that is acceptable to everybody. We will be in a better position to achieve such unity in this country when the government stops treating the provinces as competitors rather than associates and when it sincerely asks them to take part in the development of national policies. We will achieve this goal more quickly when this government further promotes the development of regional communities according to their own dynamism.

The main feature of Canadian federalism must be the free development of these communities within the framework of national goals which are not too demanding. But in this regard the government deserves some blame. If its bilingualism policy was not welcome in many circles, it is not only because of its deficiencies and the wrong directions it takes but also because the government is vigorously opposed to many legitimate regional expectations.

The day Ottawa will stop acting like a steamroller, the day they will stop trying to hoard for their sole benefit all the live forces of the country, that day we will no longer have to worry seriously about the future of the Canadian Confederation.

[*English*]

Had the ministers of this cabinet shown more compassion for the elderly public servants, they would not be faced with the prospect of backing down on their program. Fairness in its implementation would have brought unity and peace of mind within the ranks of the public service.

Some hon. Members: Hear, hear!

Mr. Wagner: National understanding would have been enhanced. We would have been spared the ugliness of the latest utterances which shocked public opinion and forced the government to wonder about its own wisdom. I am referring to last summer's flare-up over the language issue in air-ground communications in Quebec. Panic, I hope, and sheer bias gave rise to one of the worst crises this country has experienced over the last decades. It is my hope that cold reason will ultimately prevail.

● (1220)

I expect that the commission of inquiry will provide satisfactory answers to both the issue of air safety and to the understandable desire of French-speaking Quebeckers to use their own language in air-ground communications. It would be a pity should a majority of Canadians deny my fellow compatriots the right to speak French amongst themselves while performing their duties in Quebec air space. Only the most stringent considerations of safety should cause that right to be circumvented.

For the first time the throne speech has been strangely silent on world affairs, as if Canada was living in complete isolation and as if this government did not care about what is happening abroad. Before I proceed further on this subject, may I, as spokesman for my party on foreign policy, welcome the appointment of the new Secretary of State for External Affairs (Mr. Jamieson).

Some hon. Members: Hear, hear!

Mr. Wagner: I am sure our relations will be fruitful and pleasant, and that whatever differences might occur between us on policy matters, our personal friendship will remain undisturbed. Surely the minister will not take umbrage if I say to his predecessor how much his departure from this post after such a brief stay will be noticed. The President of the Privy Council (Mr. MacEachen) is leaving the portfolio of External Affairs just as he was beginning to shine in his own right and was emerging from the status of glorified usher to which from the start he had been reduced unwillingly by the Prime Minister's personal advisers on foreign policy.

In Europe I was told that the former minister played a most appreciated role in the north-south conference and that his contribution would be missed. I must, however, deplore the fact that the tenure of office of the minister was marred by a couple of incidents which profoundly shocked Canadian opinion and did serious harm to our country's image abroad. I refer especially to the Taiwan gaffe which brought so much ridicule and disrepute to Canada and almost scuttled the Montreal Olympiad.

Some hon. Members: Shame.

Mr. Wagner: Perhaps more serious was the unfortunate decision to allow the High Commission in London to grant certificates of non-Jewish origin to Canadians wishing to visit Arab countries. The public outcry which ensued caused the ministry to desist from such a despicable practice, but the government still owes this House a satisfactory explanation as to the circumstances which led to what the Ottawa *Journal* aptly described as a new yellow star system in reverse.

Now that the former secretary of state for external affairs has become once again the government House leader, I hope he makes good his promise, as reported in the press on June 29, to stimulate more debates on foreign policy. He might even try to convince the Prime Minister that it is never counter-productive to report back to the House following his journeys abroad. So we hope to hear from him after his trip to Japan.

It is not enough for a minister of external affairs, and for that matter for any minister of the Crown, to appear once in a while before a standing committee and make general statements on matters pertaining to international issues. What is needed is a concerted determination to allow this House to debate, as they come up, issues which might affect Canada and its international stances.

Some hon. Members: Hear, hear!

Mr. Wagner: There is no doubt that although we do not have a tradition of bipartisan policy on external affairs, there are many aspects on which both major parties agree and many on which we disagree. It would be healthy for democracy to debate openly our differences and to have an opportunity of offering Canadians a choice.

There are problems which presently raise concern in Canada. The Rhodesian, and generally the African situation, is in the minds of us all. What are the chances of a peaceful solution, and what role, if any, could Canada be called upon to play in this area? Or do we leave it to Dr. Kissinger to tell us what we should do and how much we should pay? When shall we finally be favoured with decisions of this government pertaining to the Arab boycott and its possible effects on the Canadian business community? What exactly will be Canada's role in formulating the new economic order? In view of the growing income disparities between developed and developing countries, has the government decided to reconsider some of its methods of helping poorer countries to achieve a more decent level of prosperity?

Many Canadians who came from eastern Europe still experience difficulties in reaching families and members of their families there or obtaining authorization to bring their relatives into Canada. Without commenting on the role played by the U.S.S.R., I would certainly like to see more frequent discussions of the problem of family reunification in order to improve upon what we can term a still uneasy friendship. I,

myself, am looking forward to the opportunity of becoming better acquainted with the problems in east-west relations.

We all witness with anguish the arms build-up in eastern Europe, in the Middle East and elsewhere, with the risk of new military clashes between neighbouring states. We are not yet immune from a nuclear catastrophe, and we want to know what Canada is doing to help accelerate détente and nuclear disarmament. With regard to selling our nuclear technology to developing countries, we are still a long way from a satisfactory level of safeguards and a really effective system of international inspection.

The Secretary of State for External Affairs spoke the other day in reassuring terms of our dedication to the survival of Israel as an independent state, while remaining friendly toward the Arab world. I agree with him; but we would like to know more about his veiled threat of withdrawing from the United Nations peacekeeping operations in Cyprus and possibly elsewhere. Is saving money the main consideration now for this government? Are we going to abandon the traditional policy which endeared Canada to the whole world particularly relating to peacekeeping? Has the government given any consideration to the German and Israeli proposals dealing with terrorism?

As far as our relations with the United States are concerned, they certainly need to be improved. This government remains seemingly undisturbed, as if irritants were normal between friends. It is high time we did our utmost to try to solve outstanding issues before they get worse.

Some hon. Members: Hear, hear!

Mr. Wagner: While standing by our right to act independently as a sovereign nation, we must make sure that any disturbance—even unwarranted in our view—in our relations with the United States is immediately cleared up. We must dispel the clouds as soon as they gather in order to avoid possibly devastating storms in the future. To that end more is needed than chance encounters between ministers or heads of governments. We must entertain a constant flow of communications with the American Congress and administration and keep the American people better informed of our views.

Canada is about to become again a member of the Security Council, and as such we are going to be called upon almost daily to express our opinions on current problems and to cast important and perhaps decisive votes. It is only fair that the government desist from its secretiveness and frankly take parliament and Canadians as a whole into its confidence with regard to its foreign policy.

[*Translation*]

Mr. Speaker, because of the internal problems caused by the helplessness of the government, and in the face of the deterioration of our image abroad, I do not hesitate at all to second wholeheartedly the motion of censure put forward by the leader of the opposition.

• (1230)

Mr. Raynald Guay (Lévis): Mr. Speaker, it is very gratifying to speak after the hon. member for Saint-Hyacinthe (Mr. Wagner, it gives me the opportunity to ask him whether his remarks truly reflect Progressive Conservative views rather than his own views. I am aware that at the time of the PC convention he put forward the same views, but his party did not accept them.

It is all very well to make fine speeches, to propose such fine principles in the name of the Progressive Conservative party. I am asking the hon. member for Saint-Hyacinthe the real purpose of his reference to the official languages. I know he is a Quebecker, but how can he refer to our two official languages when 17 members of his party voted against the Official Languages Act, along with Social Credit members who also voted against the same legislation on the basis that it was not enough. I honestly wonder if the principles referred to by the hon. member for Saint-Hyacinthe are only principles he would like to see implemented. I know the hon. member for Moncton (Mr. Jones) will also speak on the subject, and I am convinced the principles stated by the hon. member for Saint-Hyacinthe earlier are the same as those put forward by the hon. member for Moncton, who was not accepted but rejected by the Progressive Conservatives.

Mr. La Salle: What about Richardson?

Mr. Guay (Lévis): Mr. Richardson is still with us. He remained a Liberal for a questions of principle. I could refer to a number of resignations from the Progressive Conservative party. Resignations were among Progressive Conservative members for Quebec, who resigned and later returned to their party. I wonder why the hon. member for Joliette (Mr. La Salle) rejoined that party. He wore the badge "Il y a du français dans l'air", which is very nice, but he rejoined the Progressive Conservation party after his colleagues voted against the official languages legislation. After a protracted debate on the Canadian flag it lasted for months and months on end, centering on Canadian unity it is a matter of record who voted against the Canadian flag. Some people simply reject the concept of a symbol for Canadian unity. Well, Mr Speaker, I would like to refer to the resignations from the Progressive Conservative party. There was the hon. Mr. Balcer for instance. What did he say about the Conservative party? And what did the hon. member for Joliette say the first time he resigned from the Progressive Conservative party? He simply indicated there was no room for a Quebecer in the Conservative party.

It has been the same for Mr. Justice Allard, the hon. member for Sherbrooke. He has said the same thing: There is no room. The hon. member for Saint-Hyacinthe has just resigned as the official spokesman for external affairs. The hon. member for Hochelaga (Mr. Lavoie) has been given no responsibility. He had to make a statement to the Progressive Conservative party. Because he is a Quebecer, he is given no responsibility. The hon. member for Joliette has been given the responsibility to be the official spokesman for a department

which does not even exist. That is the situation. If you want to talk about resignation, let us talk about it, but really I would like to proceed to some more important matters.

I would like the hon. member for Joliette and the hon. member for Saint-Hyacinthe to ask their leader to give his definite opinion on the matter of the air controllers in the province of Quebec, that is on the matter of bilingualism. Why is it that on a certain occasion the leader of the opposition went to Quebec and told the air controllers he was prepared to meet them any time? But it seems that when he came back to Ottawa, the Conservative brain trust, the Tory brain trust told him: You will not meet the air controllers. And he did not meet them!

An hon. Member: Those are really petty details—

Mr. Guay (Lévis): Maybe so, but if the hon. member for Joliette really wants to make a speech, he can do so after I finish mine. If he wants to answer it, he can do so, but I also hope he will answer the questions I just put to him.

Mr. Speaker, I would now like to turn to bilingualism. In 1970, during the debate on the establishment of the Ottawa National Arts Centre, I personally introduced an amendment that read as follows:

That in the appointment of members and officers of the Council, due consideration be given to the linguistic duality of Canada and its cultural plurality.

Mr. La Salle: I never heard of that.

Mr. Guay (Lévis): For which, I was practically called a racist by the hon. member for Prince Albert (Mr. Diefenbaker) who was then leader of the opposition. I am quoting his very words:

. . . This is an amendment that is dangerous to Canada and to Canadians. It will divide Canadians on the basis of race.

This quotation appears on page 6252 of *Hansard* of June 10, 1966 and follows an amendment that I, a Quebecer, had put forward on bilingualism so that the bilingual and multicultural character of Canada might be recognized. Yet the Progressive Conservative Party has never approved any of those proposals which aimed at making this duality an acknowledge fact in Canada.

The hon. member for Saint-Hyacinthe (Mr. Wagner) made a big speech on the principle of national unity and I agree with him in theory. But when you consider facts, when you look around and go to the bottom of things, you cannot help notice the difference between the principles he advocated in his speech and the way they are implemented. Therefore I will now put one question to the only three French-speaking Progressive Conservative members, I will ask them what they are doing within that party.

Mr. La Salle: You are asking us?

Mr. Guay (Lévis): Before he leaves—for I see he is on his way out—the hon. member for Saint-Hyacinthe proposes a motion of confidence to know whether the government has the confidence of Parliament.

[Mr. Guay (Lévis).]

Mr. La Salle: It does not have it any more.

Mr. Guay (Lévis): I, for one, seriously wonder whether his leader has any confidence in him.

Mr. La Salle: Of course.

Mr. Guay (Lévis): I ask that question very seriously. But we do not have to hold a press conference about it. When you approve someone, you support him or you do not. You do not have to repeat every three months: I trust my leader! I trust my leader and I do not feel the need to repeat it every day.

• (1240)

Mr. Speaker, I will now proceed to some really practical matters of concern to Quebecers. When we talked some moments ago about the problem of air controllers, some people expressed doubts about the position held by some Liberal members from the Quebec area or elsewhere. I have just given an example when I said that the French position must not only be advocated in the air but also on the ground, and also within the Progressive Conservative Party. I believe the hon. member for Saint-Hyacinthe has quite a job to have the French position accepted within the Progressive Conservative Party.

Mr. La Salle: So does the Prime Minister!

Mr. Guay (Lévis): Mr. Speaker, on last December 13, I received a telegram from a doctor in my constituency saying that the man in charge of the complaint office for Air Canada in the Place Ville-Marie Building in Montreal, Mr. Gotbold, was a unilingual English-speaking employee. So I do not think the problem of French is only in the air. However, I support the two government members who have fought a battle and who are still doing so, namely the hon. member for Maisonneuve-Rosemont (Mr. Joyal) and the hon. member for Matane (Mr. De Bané) who are doing an outstanding job to bring to their senses certain Crown corporations which seem to despise the laws and to make them abide by those laws.

As a Quebecer, I wonder, and I ask also the Quebecers within the Progressive Conservative Party, why we Quebecers have been asking every day for over 100 years the right to speak French in our own province. I do not know what would happen with English-speaking westerners if they had to wonder if they have the right to speak English at home. The problem is crucial. I want this country to remain united as much as the hon. member for Saint-Hyacinthe.

Those are, Mr. Speaker, principles and things that can be advocated in a very serene and very positive way. From which side of the House did the protests come? The outcry of indignation came from those two Liberal members, because in our party, there is no resignation, there is no giving up, there is no quitting because we disagree; there is room for struggle within our party and this is what the hon. members for Maisonneuve-Rosemont and Matane are doing. I will speak about that later. I also want to criticize the government but I

will try to be positive, contrarily to the members of the official opposition to whom I have been listening these last days. Their speeches are negative. After this short digression, I will now speak about a program in which I and the people from my riding are greatly interested, namely the Local Initiatives Program.

I also had to fight within the department. The Department of Manpower is responsible for LIP and I never saw so many people disagreeing with a program. I take my riding as an example, and I could as well take many others such as Beauce or Lotbinière. I have never seen such a disagreement. My riding submitted 53 requests amounting to $1,400,000 and got a budget of $195,000 or 14 per cent of the requests.

Even if I were to accept 8 or 10 projects, I would deceive a lot of people. Never before has a program disappointed so many people. The publicity urged people to submit ideas. Maybe the leader of the opposition is the only one who has no ideas. People were told: If you have ideas tell them to the manpower centre; if you are creative, come to the manpower centre. People were often invited through a publicity that I consider perhaps not misleading but at least abusive. When you whet appetites, you have to satisfy them. The government must find the moneys required and, if it does not have them, then I agree that it should do away with LIP and implement a program to create jobs, not for 30 weeks, but on a permanent basis.

I know that, in the Speech from the Throne, and I am very happy about it, there are recommendations to that effect. The minister will make recommendations with a view to creating jobs, to promote creativity, and that means creating permanent employment. With the Opportunities for Youth program, we had exactly the same problem. If the riding of Lévis is granted 10 projects, on the assumption that, in the summer, four to ten students will work for each one of them, we will quit going over the same ground all the time. In fact, this is a race. I was visited by those who work on those projects, a delegation of 53 persons; I had 53 telephone calls from malcontents. Not that I am afraid of that but when one has whetted appetites, one has to see to it that they are satisfied.

I shall now speak of another recommendation. I spoke of integrating the students in community projects. I have been struggling for a long time now to obtain that those students who want to work in industry can do so. I myself lived through that experience. I have asked the unions several times to include in their collective agreements a stipulation whereby, even though a student is not a member of the union, the company is authorized to hire him. A given industry could hire a dozen students during the summer time and so enable them to pay for their studies.

Many other topics could be dealt with. One of them will interest several of my fellow-citizens of the province of Quebec, specially in the agricultural ridings. As a member for a Quebec riding, I am particularly concerned about the absence, in the Speech from the Throne, of any mention of the reforms to be brought in the field of agriculture, and the dairy policy. In Quebec, milk producers will be faced with bankruptcy in the near future unless the present policy is changed. On the one hand, the producers are penalized for exceeding their quotas; on the other hand, and I am very well informed about this matter, the producers are short of milk if they want to achieve full capacity. That is the ridiculous contradiction the present system produces. We have lost face enough before our fellow-citizens. I hope the government will have understood this. I dare hope that the Cabinet will put forward the proposals formulated by the Quebec caucus which had been supported by the caucus of the other provinces, particularly for the increase in milk quotas, which would partly solve the problem of the penalties imposed on surpluses for those who have been unjustly and unfairly treated.

Mr. Speaker, there is another subject alluded to in the Speech from the Throne: unemployment insurance. As I said to the Progressive Conservative hon. member who was here earlier, I do not want to make a negative speech. As far as the Unemployment Insurance Act is concerned, it is really extraordinary to note the number of cases we have to pass on to our secretaries in riding offices for solution. I know that we are about to amend the act. For the average man, this act is not really clear. It is incomprehensible.

● (1250)

The government should provide people with a summary of the rights and obligations of beneficiaries, that whenever there is a dismissal, a lay off or a termination of employment the employer be compelled to hand a certificate which would have to be produced. I have witnessed very pitiful cases during summer and in more than a year. People are not informed and I think we will have to do something. Indeed it would be a very practical solution. When an employee is fired, the employer hands him his unemployment insurance book with a summary of this law to inform him clearly of his right and obligations.

I felt therefore I had to make such a recommendation to the government and I hope it will act on it in the near future. In any case, whenever the Unemployment Insurance Act comes up for discussion and amendment I shall participate in the debate in a very positive way and make recommendations to the government.

I will now turn to another subject and I will be very short, Mr. Speaker. I hope this will be the last time I rise on the issue. In the nearly fourteen years that I have been sitting in this place, I remember having fought battles along with the hon. member for Langelier (Mr. Marchand) even before he was elected to this House. I led a battle about coastal shipping and the merchant marine.

I want to say, Mr. Speaker, that people have been preparing reports, making studies and asking questions for quite some time. I, for one, gave notice of a motion to urge the government to implement the recommendations of the Darling Report on the merchant marine. And I know very well that in a very near future a common front—a formula dear to unions—will gather across Canada to revive the debate on the merchant marine issue.

I request the government to appoint somebody for the examination of all those things. I know that the Minister of Transport (Mr. Lang) has already dealt with those issues. I know that the Department of Industry is considering their consequences. I know that the Department of Finance is involved. In fact, it seems to me that no one is responsible. That is what I ask with much insistance. I hope it is for the last time. If we do not want a merchant marine, I want the government to say so to the Canadian people and we will forget about it, period. Let no one tell us there will be further studies will be made. No. And if the government does not know the Darling Report recommendations, I could repeat them.

In an industrial country like Canada, with the longest rivers in the world, we have no merchant marine. We own no ship. We are an exporting country and we have no merchant marine.

Lately I got many telegrams from various shipyards. We no longer have the policy we used to have. The STAP program gave assistance for building ships ordered by foreign countries. Subsidies amount to approximately 17 per cent whereas they previously reached 40 per cent. This program was discontinued. What is the future of our shipyards? In my area, a shipyard has already closed. I remember quite well when it happened because it was during an electoral campaign: 1,000 people were suddenly out of work. Does this government plan to do the same thing with other shipyards? And mine is not the only area where this problem can surface. It is going to affect every shipyard all over the country. And we know for a fact that over 12,000 people—I say 12,000—in Quebec and Ontario alone I think are employed in shipbuilding.

So, Mr. Speaker, the cabinet will have to be more united, better coordinated if the responsibility is to be entrusted to someone who, in accordance with the recommendations of the Darling report, will recommend to us, Canadians, that we have our own merchant marine. The recommendations of the Darling report on coastal shipping were implemented. I remember it quite well. In a year or two, the matter will be closed. Coastal shipping and a merchant marine were always at issue.

We made our point. And I am convinced that the government will listen and take my remarks into consideration. Let them read the report once again and abstain from asking for still another report and further studies. That is what I said at a recent union meeting of shipyard workers. Do not submit to me any more reports to convince me that we need a merchant marine in Canada, because I am convinced. And that is the question I put to the government. I am convinced that a decision must be made. If it looks fully into all the recommendations of the Darling report, the government will have no choice but to set up a body, a Ministry of State, or to appoint a minister to implement the recommendations. We are not asking for an affirmative answer today or that two, three, four, five, six or ten billion dollars be appropriated overnight, but that a schedule be drawn up so that we may know where we stand. That is the question I put to the government because not only is it vital to the survival of shipyards and shipbuilding in Canada but it is also vital for a country as industrialized as ours, as I said earlier, an exporting country, to have a merchant marine when other small countries have their own. Our prestige would be enhanced on the international level.

The Liberal government was able to understand the needs of our economy in the past, with regard to coastal shipping for instance, and when it created the Department of Regional Economic Expansion in 1968. I want to commend the government because the riding of Lévis and the Quebec City area are among those in Canada which have benefited the most from those job-creating grants. The minister will speak about job creating, but I think of that assistance program designed to extend update businesses or set up new ones, and I only regret that not enough funds are provided.

I know that the farmers are going to protest. I already mentioned that but only with regard to the dairy policy. Dairy farmers get $631 or $632 million from the government in the form of loans and grants, which represents close to one quarter billion dollars. However, the DREE estimates barely amount to $500 million.

Therefore, I am convinced that the present minister is doing an exceptional job. He has visited every province. Some industries should not be refused assistance for lack of funds. This is what happens in the case of LIP projects. It happened for the student assistance programs. So, let the programs be publicized, but if needs are to be created, those needs should be met.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. It being one o'clock p.m., I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Walter Baker (Grenville-Carleton): Before beginning the speech I wish to make this afternoon, I should like to congratulate you, Mr. Deputy Speaker, on your reappointment this session and to express my congratulations, also, to the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) who has joined you and who yesterday for the first time took his place in the chair presiding over the deliberations of this chamber. I can speak for my colleagues in this party and, I am sure, for members of all parties in this House when I say that the appointments to which I have referred are richly deserved and we look forward to working with you as this session continues.

I should also like to say here in the chamber what I have said directly to the mover and seconder of the address in reply, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance), that is, to offer them my congratulations for the honour accorded to them and on the manner in which they delivered their

speeches. Although those hon. members sit on the other side of the House and we have our disagreements from time to time, I am glad to say that their families who were here to watch from the gallery on that occasion, as well as their constituents who will no doubt read the speeches when they are distributed, have reason to be proud of the way in which this responsibility was discharged.

I should like, also, to join my leader in paying tribute to the Governor General of Canada and his lady. Anyone who has watched the struggle of a loved one to recover from the devastation of a stroke, as I did in the case of my own mother, cannot fail to be moved by that man's persistence and courage in the face of adversity. I think, too, of the support and encouragement which Madam Leger is giving her husband on every occasion, particularly on this occasion, the most public of all, the opening of parliament.

The past months have been eventful months indeed, particularly the months since October 12, 1975, when the Liberal government embraced the controls they had damned in the course of the election campaign. Those months have been a devastating experience for the government—perhaps in the minds of many people that is not too unfortunate—but they have also been a devastating experience for the public generally. In support of this statement I am not relying on public opinion polls, although one cannot completely discount them.

Nor do I rely on the opinions of columnists who hon. gentlemen opposite may judge to be unfriendly toward them. Rather, I rely on what I see before my eyes—a government which is lurching from crisis to crisis, important ministers leaving, or being left to occupy either of the extreme ends of the front benches, the space which has been described as the St. Helena or the Elba of the Privy Council. I shall not easily forget the look on the faces of the supporters of the government when they were justifiably flayed by the Leader of the Opposition (Mr. Clark) on Wednesday.

• (1410)

What has happened to this administration, Mr. Speaker, is that it has played the power game, and played it for the sake of the game rather than using the rules of the game for the purpose for which the game was created, and that is to govern and lead. It was not always so with this government, but it has become abundantly clear now that that is the level to which it has fallen.

I would not want you to think that the government does not have its apologists. It does have them in abundance, but within the once great Liberal party there are thoughtful people at the grass roots in a constituency like Ottawa-Carleton or St. John's West who are standing back and are shocked by what has happened to the party which brought forth the likes of Laurier and St. Laurent, the latter whom we honoured this morning. They are turning away from the party in despair, and in droves. These apologists grasp at straws to justify this fall from grace. They will tell you that this Gethsemane through which they are passing is some form of martyrdom, when it is really the result of a failure of vision and loss of a sense of purpose and a sense of vitality that a sense of purpose can bring to any government.

I am, quite frankly, alarmed as a Canadian that some of these apologists would adopt the simplistic approach that the only reason for unpopularity is that the country is against bilingualism and the Anti-Inflation Board. To say that in respect of bilingualism is to say that the majority of Canadians are prepared to deny the sense of equity, fairness and justice that is, and was, the purpose of the Official Languages Act. That position, if that is the position of the government which has been expressed by some of its apologists, most notably and recently by the Minister of National Health and Welfare (Mr. Lalonde), is hypocritical at very best.

That is not to say that Canadians are not upset by the way the government has chosen to implement the principle in some areas. The public service of Canada has felt the sting of its stupidity, the double-talk, changing statistics, the force-feeding, the overzealous designation of positions, all of which has taken place because the government has been out of touch with reality for a long period of time. They ignored the warnings of their friends, and even the man I defeated was one of those. They ignored the warnings of Keith Spicer, a servant of this House, and they paid half a million dollars to Professor Bibeau to be told that which every public servant knew, that the program, though well-intentioned, was misdirected; and when the chips are down, and that is their equivalent to the Gallup poll statistics, they suddenly flip-flop.

Look at the words in the Speech from the Throne. The government would leave the impression with us, from those words, that it intends to treat the public service with the benign neglect that Mr. Spicer suggested. The throne speech implies that the pace of implementation will slacken—and I use the world "implies" advisedly—while just a few days earlier, in that true confession session in a hotel in Toronto, the Secretary of State (Mr. Roberts) said it could not slacken. I quote from the Ottawa *Citizen* of October 4, which states:

> Mr. Roberts also says a slowdown in the rate at which bilingualism is being implemented in the public service would be a severe blow to national unity.

More double-talk. I have spoken many times in the House and outside about this matter. I represent a large number of public servants. There are certainly other problems in the public service, and I have spoken about them as well.

It is a fact that morale is low in our public service. It should be high, but it is not. The great majority of literally thousands of letters and telephone calls I have received and discussions that I have had with public servants tell me that the public service has accepted the principle of the Official Languages Act which, put simply, is that an English-speaking Canadian in Hamilton and a French-speaking Canadian in Chicoutimi have the right to address and be addressed in one or other of the official languages by their government. The public servant does not need Professor Bibeau to inform him or her that the scope and extent of designation is out of proportion to the need, that the language teaching system is unsound, that the usefulness of training on the job was at best overrated, and

that the cost in dollar terms and in human terms demands some change.

I do not know how many times a government has to be told this, but surely no reasonable person would suggest that to question doubtful implementation procedures is equivalent to a denial of the principle. Here we have the case of the throne speech saying one thing and a minister of the Crown saying another. Is it any wonder there is skepticism? Is it any wonder that anyone who has witnessed the performance of this government in the sensitive area of implementation in the public service could be anything but at least skeptical?

If, as we expected, in the course of the debate there is an enlargement of the so-called assurances in the Speech from the Throne, the public service will not accept them now. That is the position we have come to. They accept them for what they are, and that is words, sir—mere words. That is why the commitment to examine the concerns about implementation given by the Leader of the Opposition the other day is so important in the national capital and in the nation itself.

The plain truth of the matter is that if there is any relationship in the field of language to the problem of national unity, and I think there is some, the problems began not with the passage of the statute, in my judgment, but with the methods used by the government to implement the principle. If there is to be any lessening of the difficulties in terms of national unity—and I respectfully suggest that any government worth its salt would re-examine its position in terms of implementation—well, we will see what this government says but, more important, we will want to see what this government does.

I read on in the speech and noticed that the government had been smitten with a sudden revelation that the place to learn a second language was first in the schools with the young people, rather than those who have advanced to the middle and later years. The government did not need Professor Bibeau to tell it that. It did not need Keith Spicer, either, to tell it that. The parents in the national capital area and the parents in this country as a whole could have told the government that just as well. Even the government's opponents were telling it that.

What has been the government's commitment in the past to this important part of the bilingual policy? To be sure, money is being spent on language training in the schools, but it is pitifully small in terms of the magnitude of the problem. However, it is being spent. But can this government be trusted here? I do not know, and I am sure there is some skepticism among the four boards of education in the national capital area based on the performance of this government. No sooner did it have the boards committed to a very important experimental training program, the results of which would have been in use all over this country—and that was the intention—those boards, having based their commitment on a commitment of funds from the federal government, the federal government denied the boards a source of funds.

● (1420)

This has had a profound effect on language training in the national capital, on the people in that program and on the future of language training. If past performance is any guide to us, then it is a shaky foundation upon which to build any faith in this government, even in that area. Again we will have to wait for the performance.

Mr. Speaker, the Secretary of State (Mr. Roberts) spoke in Toronto of national unity. The real blow to national unity has been this government's attitude that it was always right when events have shown that it is almost always wrong. It assumed that bilingualism was the only vehicle for national unity. Certainly it is an important one, but not to the exclusion of other considerations. The leader of our party mentioned the problem of regional disparity respecting unity. The whole transportation problem facing Canada will affect national unity. Lack of an energy policy will have an effect on national unity. The ease with which the federal government backs out of cost-sharing programs, without so much as a fare thee well, affects national unity. The medicare scheme is a good example of that.

The surprises in the federal taxation, imposed without consultation, on resources in this country have an effect on national unity. The failure of this government to tackle disparity in terms of decentralizing productive industrial capacity will affect national unity. Language is not the only factor in national unity, but because of the preoccupation of this government with language, its tunnel-vision approach to the question of national unity, and our feelings about ourselves it has suffered considerably at its hands.

The other excuse upon which the apologists for this administration rely to explain their fall from grace is the suggestion that Canadians are against the war on inflation. Mr. Speaker, that is as simplistic as it is untrue. Canadians are not against the war on inflation. They are against the deceit—and they were deceived by a government that said one thing when it asked for a mandate and acted in another way when the country gave it that mandate. Canadians have no time for such a fraudulent performance. This is what they are really telling the government by virtue of the opinion polls and by any other indicator which one would like to use. Even the defectors from the government, and there have been a number, are telling them the same thing.

Mr. Speaker, if this government had any political character to begin with, it has now lost it and that character has been replaced by political expendiency and a litany of failure. The most obvious failure, of course, is to stem the stampede of ministers out of the ranks. Or one could choose this government's attitude to scandal, the sheer cosmetic quality of its approaches to the problems facing Canada. I make no comments on the reasons for the resignation of the Minister of National Defence except to say that his constitutional theories, at least as they relate to numbers, are questionable. But his leaving, the time he chose to leave and the circumstances under which he made this announcement, are significant. While his action may be judged by some as premature or for the wrong reasons, the act of leaving is itself an indication of the extent of the rot in this government.

Mr. Speaker, I spoke a few moments ago about national unity, the importance of it to our country and the importance of it, as well, to our capacity to tackle the things that must be tackled if the legitimate aspirations of the people of Canada are to be met. It is a fact, I think—I believe I can state this safely—that even a government dedicated to disunity could not have done a better job than this government. For some reason or other the present administration has forgotten how our country came about.

It was not forged in revolution, like the United States. It did not cast off any bonds at the beginning. It came together by agreement, or at least by consensus and understanding, because there were some reluctant participants at the outset, as you know, Mr. Speaker.

Since there was consensus in 1867 and before that, a good case was made for creating a nation in the northern half of North America. The fact that it came together by agreement and consultation, compromise and understanding, has made our confederation a very delicate thing indeed. Mr. Speaker, our confederation will continue to exist only so long as those elements of compromise, understanding, agreement and consensus exist in the minds of those who have authority in the various jurisdictions of our country. Even if we would wish it otherwise, the geography of the country, the relative isolation and population in Canada, the fact it is stretched across a rather thin line in terms of the vastness of the land, made a federal state relevant to the Fathers of Confederation, and that relevance continues today.

Federalism, as we know it in Canada, as it was conceived at the outset, is not to be subjected to confrontation, and yet that has been the principle weapon of this government in dealing with the provinces. And much of the distrust of the federal government springs from the use of that element as a tool in federal-provincial relations. I view a federal state as one in which it is possible for a strong central government to work in concert with strong provincial governments. But somehow or other the equation of confederation has gone out of balance. The atmosphere has been poisoned by the emotionalism of the threat of unilateral patriation.

I do not foresee the situation developing very quickly where the provinces will agree on the terms and conditions for amendment of the constitution, the British North America Act. But that is no reason these discussions ought not to go on. It is obvious from all reports that there has been some progress, but I am concerned about the fears expressed by Senator Forsey that unilateral patriation, without an amending formula, will put us in a constitutional straitjacket which could make it difficult for us to meet changing problems in a world where the velocity of change is almost overwhelming.

It goes without saying, as the hon. member for Saint-Hyacinthe (Mr. Wager) said this morning, that this party does not fear the homecoming of the constitution, if one could call it that; far from it. But the government seems intent on moving ahead with or without the consent of the provinces. I would rather the government cooled it. The atmosphere is not right and I have some doubts about this government's ability to change, and the feeling is growing in Canada that there will be no change until the government itself is changed.

There is nothing about our confederation that would not make it subject to the change in attitude that was suggested by the Leader of the Opposition (Mr. Clark). Perhaps it is time there was a government in Canada that would not begin its approaches to the question of federal-provincial relations from the premise that the necessary condition of negotiation is conflict. There will be differences of opinion, to be sure, but conflict and mistrust can so poison the atmosphere of negotiation that meaningful negotiations are impossible to undertake.

Mr. Speaker, it is more than merely notable that the man who came to Ottawa to save us from ourselves in 1968, as he says from time to time, has presided over the period of the greatest unrest and conflict in our history. His preoccupation with one policy, language, as the cement of confederation, to the neglect of all other considerations, has turned that cement into a wedge which is endangering our feelings toward one another. I regret that state of affairs in terms of the life of my country.

● (1430)

Mr. Speaker, there is one last thing I want to say. It is this same government that has proven itself so untrustworthy in so many ways that will shortly ask the House to amend its rules and Standing Orders so as to make members the handmaiden of the government; to make this a place for the expedition of government business to the exclusion of its real purpose, that of a forum for the discussion of public affairs.

Mr. MacFarlane: Mr. Speaker, I rise on a point of order. I should like to remind the hon. member that we both sit on the same committee, under instructions from the House to deal with these matters, not under instructions from the government.

An hon. Member: I have never heard such nonsense.

Mr. Baker (Grenville-Carleton): I share the concern of the hon. member, but I wish he would let me finish my speech; then perhaps we can give him unanimous consent to make a contribution of his own.

The Speech from the Throne spoke of broadcasting the proceedings of parliament and other changes in this place. There is a much more fundamental need, that is, a change in the attitude of this government to the right of Canadians to know. The throne speech made no commitment for a freedom of information act. In fact, it contains an evasion. If the speech indicates anything at all, it is that this obsession with secrecy will continue while a study is pursued. I could approach the possibility of rule changes with much more equanimity if I knew that this government was committed to the concept of a freedom of information act in the terms that the hon. member for Peace River (Mr. Baldwin) has worked so diligently and so well to achieve.

Charles Lynch has said—I do not often quote Charles Lynch, but I will now; sometimes he is right, and he was right

yesterday in his column—that this government is the most secretive in the western world. I believe he is correct. The Rudnicki case—the case of a public servant wronged by his employer—contains an indication of how far this government is prepared to go in terms of secrecy.

The former minister of labour, the hon. member for Scarborough East (Mr. O'Connell), spoke of the necessity for instituting the machinery to examine on a long-term basis the estimates of government, not only in terms of future programs but in terms of the achievement of past programs. I suggest that that concept, without a freedom of information act, would be almost meaningless. When I look back to 1968, this same government under this Prime Minister (Mr. Trudeau), came before the people and exhibited a sense of purpose and fairness and held out to the Canadian people a promise of equity, justice, compassion and concern. Today, as I look across the floor, I see that not only has this government become a shambling collection of the once great, at least in the minds of some, but it has debased its mandate. Whatever the result of the confidence vote in this chamber may be, the government, does not have the confidence and trust of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): It is regrettable that the people of Canada cannot express themselves except in the limited way in which they will next week.

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have heard many speeches in the House about the difficulties of this government and the way we face these problems, but very few clear statements on where we should go and what we should do. I feel there is a lack of understanding of the complexities of the times. It is all very well to say that the government should increase or decrease the money supply, or play around with fiscal arrangements, and with simple answers can straighten out all kinds of problems. These things do not work today because these times are not the kind of times we had in the 1960s, and I am waiting for some concrete suggestions from the opposition as to how to deal with today's problems.

I suspect that the opposition is not really cognizant of the kinds of problems that are faced by governments throughout the world today. These are not ordinary times; they are unique times. Let me give two examples of the uniqueness of these times. We have never had the kind of inflation we have today, which is worldwide, and at the same time high unemployment. These things, in classic economic terms do not go together, yet they exist throughout the world and in this country at present, and as a matter of fact we are doing a good deal better than most countries to resolve these conflicting problems. I am sure that most of us grew up with the myth that there are unlimited resources and all we have to do is to get those resources developed. But all of a sudden we have a totally new concept which has come into play in the last four or five years, namely, that there is a limit to our resources, that there are severe limits to our energy resources, for example.

[Mr. Baker (Grenville-Carleton).]

So these are unique times, and we have to think in terms of the problems, not just carping. Let me deal for a moment with inflation. As I said, we have had this type of inflation at least since the early 1970s and it is quite unique. It is global in its implications. It is a fact that certainly all the OECD countries and the western and industrialized countries, as well as the third and fourth worlds, are affected by this inflation. It is something with which we have to come to grips.

We have been accused of deceiving the public in the 1974 election. We did not buy the kind of program that the Tories were peddling, namely a 90-day total freeze. But at the end of the 90 days I suppose the world was going to come to an end because there were no suggestions as to where to go after that. We said there was a contingency. Let us analyse the year 1974. I believe the government has been at fault in one respect, in that we had not gone to the public to justify fully why in 1974 we did not do something which we did in 1975. I think there is a good justification for this.

Let us look at the situation in 1974. We had a period of prolonged demand inflation, inflation caused by a shortage of goods both nationally and globally. It was the kind of period which would be worsened by controls, and these are what the U.S. government applied in 1972. This created unbelievable problems, because the problem was not cost, it was demand. In mid-1974 this started to change. I might say one other thing about the time before mid-1974. Wages were not a major factor in inflation at that time; wages were lagging behind. Between the summer of 1974 and the late summer of 1975 wages began to be a factor in inflation. Costs became a factor in inflation more than before, especially costs within Canada. In the first half of 1975 wage settlements were running at an average of slightly less than 22 per cent, 21.8 per cent to be exact. Beginning to escalate into the inflationary situation was a severe cost-push problem.

That is a very different kind of inflation from the type we had in early 1974, and I think it is important that people begin to realize that. What would the Tories have done in 1974? They would have had a three months freeze, and then presumably everything would have gone away. Of course, it would not have gone away because this is a worldwide problem which has to be handled in conjunction with a whole series of other problems.

Let me talk a little about what we tried to do before we brought in controls, because this government, with the previous finance minister, made a serious effort to bring about voluntary compliance of the trade union movement and the industrial leaders of this country, but they were not successful. In September of 1975 we were faced with a whole series of wage demands which were beginning to become ridiculous, such as 71 per cent in the Post Office and over 40 per cent for Quebec teachers to catch up with the Ontario teachers who were asking for another 40 per cent. There were demands of 50 per cent, 60 per cent and 70 per cent, and these were the things we were facing.

• (1440)

What is a government to do? Economists throughout the country were saying that we must have some kind of control period, and so we did. What is the nature of that control period? First, we decided basically not to control prices because that is a very, very difficult thing to do over a long period, and we certainly were not going into a short control period. In my opinion, that would have created only trouble. It would have created a tight scene and then we would have had the kind of distortions which took place in the United States after 1972.

So we decided there had to be a way to control prices indirectly; without that, having an army of people administering the controls. walking into major stores and seeing how many items would have to be controlled, would not work. We assumed that this is a free enterprise system, that there was a market and that where there was good competition there should not be much problem. What did we try to do? We tried to control the two things which are factors in terms of cost. One of them is wages and the other is profits. The Tories say we should not control profits and the members of the NDP say we should not control wages, but nobody tells us what we should do. Nobody makes any suggestions except to say that we should not do this or that.

Mr. Baker (Grenville-Carleton): Try resigning.

Mr. McRae: What has happened? I mentioned that in the first half of 1975 the average wage settlement was in the area of 22 per cent, or 21.8 per cent. The second quarter of 1976, which is the last quarter for which we have figures, shows wage increases of around 12 per cent. There is a decrease, there is no question about that. Since controls, profits also have decreased on the average by about 7 per cent to 8 per cent, so those two things have been controlled.

What about prices? Prices have gone, from an average increase in the year before controls of something like 11 per cent, to an average increase of something like 6.5 per cent. Hon. members immediately say that that is because of food and that food is not controlled. It certainly is controlled. It is not controlled at the farm gate, but if 60 per cent of the cost is after the farm gate—and I hear hon. members using these figures—and goes to the producer, the distributor, the packager, the advertiser, and so on, these are certainly costs; and taking food and everything else into consideration we are now down to 6.5 per cent.

While wage increases are now at 11 per cent and 12 per cent, inflation—that is, the cost of living—has come down to 6.5 per cent, and that is basically the total cost of living. So there has been a successful period. Allowing for inflation and for some extra productivity, basically speaking the workingman today is better off than he was a year ago, and the person on a fixed income, such as the senior citizen, is considerably better off than he would have been had we not gone into controls. So I do not understand why the country is so upset.

It seems to me that the control period has worked. But that is not the only thing we have to talk about, because inflation is not the only economic problem facing this country. We have the problem of high unemployment, and this is something we have not solved. We are doing much better in the inflation field than we are in the employment field, but even so this nation has created more jobs per capita than any other country among the OECD countries. Between 1971 and the third quarter of 1975 we produced something over 19 per cent new jobs, so for every four people who were working in 1971 there are now five working in Canada.

The United States only produced 8 per cent more jobs, and that is one of the best figures. Our labour force has grown at a tremendous rate, partially because of the post-war baby boom and partially because of the fact that the number of women in the labour force has grown substantially. I have a figure here with regard to the proportion of women in the labour force between the ages of 25 and 44. In 1953 the figure was 23 per cent and in 1974 it was 47 per cent.

We have too much unemployment in this country, and in the next year we have to do a great deal more in terms of creating jobs both in the private sector and, I believe, in the public sector, because I do not think we will create jobs in the private sector at the rate we need to create them. We will have to do something about our 7 per cent unemployment rate; we will have to bring it down. But just the same, among all the OECD countries Canada has by far the best record in terms of job creation.

If it were just a simple matter of jobs and inflation, perhaps we could solve all our problems locally, and perhaps even the Tories could handle it; they probably could manage. But the scene is not just a simple matter of inflation or creating jobs; the interplay between inflation and the creation of jobs is a problem. If we do the things we really need to do to bring the unemployment rate down to 2 per cent or 3 per cent, we will seriously affect the inflation aspect; and if we let inflation go too far, we will create more unemployment.

We have serious problems in these areas, but I think we must talk about other areas. For instance, we must talk about the world resource scene and particularly the energy scene. I am not speaking in terms of amounts of BTUs lying around but, rather, in terms of the financial aspect. We have about seven years' reserves of crude oil in the western basin. There are very improbable supplies in the north and on the offshore islands. There is nothing to speak of, or nothing which is worth going after. There are growing shortages of gas.

An hon. Member: Oh, oh!

Mr. McRae: You tell me where these supplies are. We are not going to be self-sufficient in the next few years, or perhaps more. There are some supplies in the tar sands, but the costs there are astronomical, and this is what I am here to talk about. I am not talking about the total situation in terms of energy, because there always was energy, but I am talking about the energy which must be put in and the dollars which

must be put in to get the energy out. That is where we are going to be in trouble.

Last spring it was estimated—I heard a much higher estimate recently—that in the next 15 years we will need over $180 billion of capital just to maintain a 3.5 per cent energy growth rate. If we drop below that, of course, we will not need that amount of money. That $180 million, amortized in any reasonable fashion, would mean that we are talking about $3,000 per family unit, roughly what a family now pays for a house per year, in today's dollars. These are some of the problems. Where are we going to get that $180 billion capital plus another $400 billion or $500 billion capital which we need for other things? Just to increase the money supply or to play around with fiscal policy will not provide solutions. This is far more complex than people realize, and I think it is up to members of this House, on the government side and on the opposition side, to consider these problems seriously and not just criticize.

We have some very severe balance of payments problems. Our balance of payments current account is running about $5 billion in the red. There are those who say that foreign capital is a great thing and I agree. It built this country, but it still costs us close to $3 billion per year to service that capital. We are running about $43 billion in the red, in net terms. That is the money we owe to other countries. These are some of the things we have to face.

● (1450)

Then there is another very bad international scene—a very difficult international scene for any government to come to grips with. There has been a tremendous increase in the number and size of global corporations and the amount of liquid assets that are beyond the call of national governments. The United States Senate finance committee calculated that in 1973 these assets were between $150 billion and $260 billion, and that the total assets of global corporations were 1½ to 2 times the size of the total liquid assets of national governments and their national banks, and that these liquid assets were able to move very rapidly; they had a great deal more mobility than the assets of national banks or even of groups like the International Monetary Fund.

There was the problem of the whole trend of worldwide inflation being changed because of the mobility of the assets of the global corporations. One can look at the descent of the pound sterling and ask to what extent is the inability of the International Monetary Fund and the inability of the national banks to control the movement of funds responsible.

I point out these facts to show that there are very complex problems that must be dealt with. There are no simple answers, and the answers that might have worked in the sixties do not work today. I ask opposition parties to start dealing with these problems and not just watch the Gallup polls or just criticize without offering solutions.

When we say that controls may be a bad thing, or say that we should get out of controls, we should look at what might happen when they end. We should look not only at the problem of inflation but at all the other factors which are difficult to control. I say these are very complex times, Mr. Speaker. Now is not the time to be negative; it is the time for all of us to start looking for solutions.

I should like to take the last five minutes or so of my time to speak about the role of the Department of National Health and Welfare and to make one or two comments on the Speech from the Throne and what the department will be doing with respect to the provinces. I should like to comment on the initiatives being taken by this government to map out and institute new and innovative financial and administrative arrangements between the federal and the provincial governments in the areas of medical insurance, hospital insurance and post-secondary education.

These programs have developed on the basis of open-ended cost-sharing arrangements whereby the federal government effectively matched the expenditures by provinces. The key word is "open-ended". This was an effective means to encourage the development of these programs and to make them available on a Canada-wide basis. There have been some difficulties, however, as the provinces have had problems restraining program costs in fields where a dollar of expenditure automatically generates 50 cents of additional federal contributions.

As a result of the problems in constraining costs under open-ended cost-sharing, the federal government has had to impose limits on the rate of increase of federal contributions to medical care—as we did with Bill C-68—and to post-secondary education and has served notice that the agreements under hospital insurance will come to an end in 1980. All of these actions have complicated provincial planning for the future as they are uncertain about the future level of federal participation in these programs.

The Prime Minister (Mr. Trudeau) outlined to the provinces at the June 14-15, 1976, conference of first ministers a broad new approach for providing federal contributions to the major shared-cost programs. Under this proposal the federal government will continue to pay a substantial share of the medical insurance, hospital insurance and post-secondary education program costs. But the federal contribution will be paid in a manner that does not distort provincial priorities, that will encourage the provinces to effect cost constraint in these programs, and will not involve the federal government in open-ended spending commitments. Fundamentally, the established programs' financing arrangement would determine the federal government contribution independent of provincial program expenditures and on a basis that would result in greater equality in the per capita contribution made to the provinces by the federal government.

This movement away from open-ended cost-sharing for these established programs will substantially improve this government's ability to plan its own expenditure. At the same time, the provinces will have much greater flexibility in the use of their own funds and in the planning of their programs. For example, in the health field there will no longer be concern about whether or not a particular health service is shareable.

This added flexibility will assist them in providing the most appropriate and cost-efficient system of health services for Canadians.

A much more detailed outline of the principles and structure of the established programs' financing proposal is contained in the Prime Minister's statement presented to the provinces at the meeting referred to earlier. I should like to add several comments that are of particular relevance to the federal government's involvement in the health field.

Under established programs' financing there will continue to be a substantial federal contribution to health program costs and a substantial component of this contribution will be in the form of cash. In addition, and I should like to stress this point, there will continue to be basic health insurance program objectives of the type currently used for medical care embodied in replacement federal health legislation. These objectives are—and I have taken this reference directly from the Prime Minister's statement—comprehensiveness of coverage with regard to services; universality of coverage with regard to people; portability of benefits; accessibility to services uninhibited by excessive user charges, and non-profit administration by a public agency. It is intended that these basic program objectives will be retained within a more flexible and less administratively detailed federal-provincial financial arrangement than currently exists.

Second, I should like to comment on the timing for the full involvement of the health programs under established programs' financing. The current agreements for hospital insurance between the two orders of government are not scheduled to terminate until 1980. If the provinces wish to retain these agreements until that time, the health programs will not be fully brought under established programs' financing until this government's obligations under the hospital insurance agreements have been fulfilled. There is no danger of our going out of it until the date when the programs come to an end. It was clear, because of the variety of termination dates for the major shared-cost programs, that there would have to be a gradual introduction of the new financial and administrative arrangements.

Finally, with respect to the health field, it should be noted that this government will continue to pursue policies which attack some of the underlying causes of ill health in Canada. We will continue to encourage Canadians to adopt a lifestyle that maintains their good health. Operation Lifestyle, and information to discourage the excessive use of alcohol, are examples of steps that this government is taking to promote the retention of good health by Canadians.

In summary, it is the intent of this government to map out and begin to institute during this session a new financial and administrative arrangement for medical insurance, hospital insurance and post-secondary education. The established programs' financing proposal will both facilitate cost constraint and will provide the provinces with the necessary flexibility to provide appropriate but cost-efficient health and post-secondary education programs.

I should like to conclude my remarks by reiterating our concern about open-ended cost programs, about government expenditures, about the health of Canadians, about preventive medicine, about preventive health care, which we think is extremely important, and to mention some of the proposed programs such as the anti-alcohol program.

I should also like to ask all members of the House, regardless of their party, to be much more thoughtful when looking at Canada's economic future, to be much more thoughtful in terms of the very basic problems this country has to face and, to be more thoughtful in terms of understanding the limits to which any government of this country can go; given this kind of understanding of, for instance, the great shortage of capital that is going to face us in the next 15 years, I ask hon. members to move ahead with a real effort to explain to the people of Canada the complexities of these times. We should explain that we are not dealing with the relatively simple times of the sixties, but with complex problems of the seventies which will not be solved without a great deal of assistance from all concerned and more understanding on the part of the Canadian people.

● (1500)

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, may I join with my colleagues in expressing congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance). They deserve a compliment for their courage in supporting a document as empty as the Speech from the Throne.

I listened with great interest to the previous speaker, the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. McRae). Having listened to his economic theories, I am of opinion that he might have written that part of the throne speech which examined the alternatives and came down clearly between two stools, in a surprising show of clairvoyance on behalf of the government.

I compliment those who made it to the cabinet for the first time. The appointees from British Columbia unfortunately seem not to have made it to the first rung of the ladder; they are half way up to the first rung. The duties of the new Minister of State responsible for amateur sport (Mrs. Campagnolo) seem to be somewhat divided. One part consists of being a hired pistol for the Minister of National Health and Welfare (Mr. Lalonde); the other of being a campaigner in British Columbia. It is known as being underemployed, considering the ability the hon. member has shown in her previous position as parliamentary secretary.

Before I talk about my usual subject, defence, I want to mention something concerning health and welfare which the parliamentary secretary and the Minister of State responsible for fitness and amateur sport both left out of their speeches. The omission was glaring. I am referring to the reciprocity of pensions.

Last April 14, six months and one day ago, the Minister of National Health and Welfare saw fit to rise in his place and,

in a speech filled with his usual, fulsome self-praise, stated that he wished to announce the government's intention to submit to parliament in the coming months legislation amending the Old Age Security Act. According to the minister, parliament would be asked to adopt measures, to build into our program the possibility for the inclusion of rights in international reciprocal arrangements with other countries such as Italy, the United States, and the United Kingdom, so that our residents who have earned social security rights in other countries can receive them in Canada. Last Wednesday, as reported at page 19 of *Hansard*, the minister, answering the question of my colleague from Hamilton West (Mr. Alexander), said that the bill to negotiate reciprocity of pensions between Canada and several other countries, including the United Kingdom, is being drafted. He said:

> ... I hope I will be able to table it in the House for first reading in the next few months.

Six months ago he hoped to prepare the bill in the next few months; now, six months later, he hopes to be ready for first reading in the next few months. Even more alarming was the minister's answer to the supplementary question of the hon. member for Hamilton West. He said:

> This project was discussed with my colleagues, if I remember well, at the last federal-provincial conference held in June, and no objection was made to the project either at the June conference or afterwards. Consequently, I think that we can undertake with confidence a study of this project.

That is what the minister said, as reported at page 19 of *Hansard*. What on earth was he talking about? Six months ago he said he would bring in a bill in a few months. Six months later he is still to bring in the same bill in a few months. Then he said that he thinks "we can undertake with confidence a study of this project."

In his fulsome speech of April 14 the minister said that this provision was going to affect, I think, half a million Canadians. Now he is ignoring those half a million Canadians and putting them on the shelf to cool, while he studies the project. Among those affected are tens of thousands of Canadians who are existing in distressed circumstances on British and other European pensions. Remember, the sole source of income for many of those elderly citizens is their British pension. In the last two months the pound has dropped drastically. This has meant a direct cash cutback for them on each month's cheque. Conditions for them are impossible. They have waited patiently for the past three months for parliament to reconvene.

I assumed, as any reasonable person well might, that the Minister of National Health and Welfare, having had the months of the summer in which to prepare a bill, would, as his first action, present it for first reading. That has not been the case. I hope the minister will think this over and try to relieve as quickly as possible the distress of those who have become innocent victims of his procrastination.

As we know, another cabinet minister has resigned. I am speaking of the former minister of national defence. I was concerned in case the departure of the minister meant the end of the financing arrangements he had been able to wrest from a reluctant cabinet for increasing the capital budget of the Department of National Defence. I was pleased to note that the Prime Minister (Mr. Trudeau), when answering my question two days ago, affirmed that these increases would not be cut back, but would continue. We will look forward to seeing the estimates of the Department of National Defence come down either in December or January.

Today we are without a minister of national defence, although I understand there is an acting minister who is not in the House today. Presumably the parliamentary secretary could, to a limited extent, answer questions on behalf of the minister. As lamentable as this situation is, it is by no means inconsistent with the conduct of the country's defence policy. Lack of foresight, the absence of any concern for the long-run consequences of their actions, indeed a general unwillingness to discuss or even think about the future of the forces in any terms except platitudes—all these approaches have characterized the Liberals' national defence "non-policies".

To deduce what the government intends to do with the forces we thus have little to go on, save what we can extrapolate from past actions. Let us turn then to look at the sorry events of the past decade and examine them for any consistency of approach in the decisions on defence. The past decade has been one of marked change in government. There has been a veritable explosion in its growth; by any measure the money collected by the government, the size of the civil service, government expenditures as a percentage of GNP—government as a whole has become large, almost beyond recognition.

There has, however, been one salient exception to this tendency toward expansion; this same decade has seen the contraction, undermining and, indeed, virtual destruction of a major part of the capabilities of the Canadian Armed Forces. While the Trudeau administration has been responsible for this vast expansion of federal spending, its considered policy seems to have been to run down the forces and their equipment by quietly denying them the resources necessary for their continued existence as effective fighting forces.

The process which caused this contraction is no secret. The defence budget was held close to a constant figure during a period of ever-increasing inflation; the consequence was a defence budget which shrank in absolute terms. The result was a drastic reduction in manpower, from 110,000 in 1966 to 78,000 in 1976. What is not so well known is the way in which the government's short-run opportunism caused the Department of National Defence to misallocate its long-term resources. Not being privy to the government's long-term plans, DND tried to protect its manpower at the expense of weapons procurement even when much of its equipment was clearly approaching the end of its useful life.

• (1510)

Now we can look at the cabinet's handiwork and see what a sorry waste of resources DND was forced into by this hesitant and disastrous policy of bringing the forces down to their present level, without ever having the political courage or simple honesty to tell the Canadian armed forces and the country back in 1966 that the total strength would be drasti-

cally reduced by 1976. If the truth had been told then, so many defence dollars spent on the long rearguard action to conserve manpower and bases could have been switched into the capital budget; thus obsolescent equipment could have been replaced at the proper time.

The purchase of equipment could have been spread over the last decade, equipment which would now be in service providing new teeth for the maintenance of our national sovereignty and of our commitments to our allies. Instead we are facing the prospect of having to pay a huge bill for replacing virtually all of our major weapon systems now, over the space of just a few fiscal years.

Even if the government denies that it was its deliberate intention to starve DND of its ability to invest in weapons for the future, it must agree that it was foolish and failed to provide for the future by a proper investment policy. Any businessman or manager worth his job could have told it that with 63 per cent of the annual defence budget going to pay and allowances, 26 per cent to maintenance and operations, and only 11 per cent to capital expenditures, as it did in Canada in 1972, there would be trouble. The Liberals' short term political expediency has indeed cost the forces dearly.

Yet 1972 was the year after "the defence review", a review produced with the usual fanfare of a Trudeau media event, and published in the form of a white paper, "Defence in the Seventies." We can see now what this performance was really all about. It was a phenomenon which Trudeau-watchers should know so well by now, the mere façade of a policy, launched amid a blitz of glossy PR work, of "meaningful" briefings, a supposed re-ordering of priorities, and carefully leaked anecdotes about Prime Ministerial decisiveness.

Well, as we all know, that is all we get. The review itself is the only action that takes place. After the maximum publicity has been reaped, the Prime Minister and his team—that inner group whose numbers, like inflation, have soared during the last decade—take off for pastures new, leaving the ministerial "fall guy" to the gradual realization that this is it. The officials and the minister have the dubious privilege of picking up the pieces, salvaging what is left of their commitments, and measuring the gaps between them and their inadequate resources.

So "Defence in the Seventies" was a public relations front, a façade behind which the Trudeau cabinet could cut DND's budget in real terms and emasculate it as an effective force.

Quite suddenly last year the policy appeared to have been changed. The then minister was suddenly heard everywhere in the land promising new equipment and the money to buy it. However, it is also very noticeable that no other minister, let alone the Prime Minister, has been heard to say anything in public in support of the commitment to re-equip the armed forces. Why is this so? The answer is that the Liberal cabinet may have promised new weapons, but its members' hearts are not in it. Let me suggest that this is because they do not really feel that DND should have the money. They have not suddenly become converts to a proper defence policy for Canada. On the contrary, one has to look in some surprising places for the real reasons for their sudden interest in defence, and these reasons are hardly calculated to fill the country with confidence that the Liberal government is fulfilling its obligations to provide for the security of this country.

We should all ask ourselves why the Prime Minister has suddenly become interested in NATO, interested beyond the ritual mouthing of support which he has previously given his allies. The only past actions of his concerning NATO which come to mind are the decisions to cut the Canadian manpower contribution by half, and not to replace the aging Centurion tank.

Yet recently we have a new found enthusiasm for tanks, and we have all witnessed the tragic comedy caused by the previous minister of national defence's precipitous haste to announce a contract for the LRPA. So precipitous was the haste to announce the first LRPA contract that cabinet did not even give it the attention one might expect from any group of responsible adults about to spend a billion dollars. But then what was another billion to a cabinet which asked so few questions about a company like Lockheed that its members signed an agreement without even bothering to read the briefing notes prepared for them by their own officials?

Why should the NATO commitments suddenly appeal to the Prime Minister? The answer is not any perception of an increased Soviet threat; that right hon. gentleman appears not to be even dimly aware of the upgrading of Soviet tactical land, sea and air forces. Anyway, he barely bothers to conceal his contempt for such military matters. He certainly feels it beneath his dignity to make a speech about them.

The latest comment I have heard from his lips was that, when speaking of the former minister of national defence retaining his portfolio, he had bought Jim his new toys and he should stay on and play as minister of national defence.

No, the Prime Minister is interested in NATO because he was left in no doubt that, if he wanted his "contractual link" with the European Economic Community, a precondition of a favourable deal was to end his shameful neglect of the equipment needs of the Canadian Armed Forces. A sad state of affairs has surely come to pass when foreign governments care more for Canada's Armed Forces than does the Trudeau cabinet.

The LRPA deal has been signed. The contract is now being put into effect. I have very few comments to make on that. I wish the company well. I hope they survive to the end of the contract. Canadians should hold their breath for the next four or five years until we get the aircraft for which we are going to pay so dearly.

It is interesting to note that when the then minister of national defence failed to get cabinet approval in May, it was given over to the Minister of Supply and Services (Mr. Goyer) to close the deal. He did this with the usual fanfare and, with his usual business acumen, was able to see that a plane priced at $953 million in December could be bought at a different price because it had a lot less on it and he would only have to pay an extra $60 million for it. Having watched that same

gentleman buy oil at $1 a gallon and not be able to sell it for 15 cents a gallon, one should not be surprised.

The new long-range patrol aircraft is an inferior plane compared to the one for which the then minister of national defence attempted to get approval. It has less instrument landing capability. The November plane could land in conditions of 100-foot ceiling and one-quarter mile visibility. The new plane, which costs $60 million more, needs double that minimum.

Second, the bomb-bay canisters are no longer going to be part of the contract. They provide, in their words, a unique sovereignty, surveillance, research and civilian sensing capability. This has now gone by the board.

The data annotation system on the new plane is of inferior quality compared to the one on what we might now call the Richardson aircraft. The electronic emission detection system on the new plane is not up to that on the old one. The system on the new plane is "capable of growth to a more advanced system".

Finally, and perhaps most different, is the data interpretation and analysis centres. There were to be two, one at Greenwood, and one at Comox. Now there will be one at Greenwood. The one at Comox is not to be of the same quality or standard as the one at Greenwood. It is to be a DIAC with a reduce capability. This capability is yet to be defined. This means we know what we are going to pay, but we do not know what we are going to get. By the time we pay for the canisters, the upgrading of the Comox facility and anything else we decide to restore to its former capability, the bill will be far beyond the currently stated price.

I wish now to say a few words about tanks. A couple of years ago the then minister of national defence and the Prime Minister discovered tanks were no longer needed and they were going out of the tank business. But following their conversion by the Chancellor of Germany they decided it would not be too bad an idea to re-equip the Canadian forces with tanks. I would remind hon. members that they had totally spurned an opposition initiative and suggestion in committee about a year ago that they should consider renting tanks while deciding what tanks to order. They suddenly changed their minds and decided that this was a good idea and they are now arranging to rent German tanks for up to two years. I welcome this idea. Indeed, I suggested it.

● (1520)

I now further suggest that before getting into a contract to buy Leopard I tanks, they should bear in mind that at least 19 prototypes of Leopard II have been constructed and the new version is about to come on the market. It will be superior in many respects to the Leopard I. What worries me is that we are now proposing to buy the Leopard I just at a time when it is the last off the line, in other words, the last of a series. Almost instantly we shall be using a new obsolescent tank.

One of the important factors is that the Leopard II will be equipped with a 120mm gun. The Leopard I carries a 105mm gun. The Warsaw Pact countries are currently operating a tank which is impervious to attack by a 105mm gun and for this reason, if for no other, I would ask the new minister to check into the possibility of buying the Leopard II instead of the Leopard I, or at least the possibility of having the 120mm weapon retro-fitted into the Leopard I.

A similar lack of foresight is involved in another new commitment, one which any responsible cabinet would have seen coming for the last two or three years at least. This is the extension of our economic zone to 200 miles offshore. As from the New Year these responsibilities will fall on some department or departments. The government is silent as to which will be assuming responsibility for the role of co-ordinating offshore operations. This being the case, the Canadian taxpayer must assume that, as usual, either the government doesn't know or is as muscle-bound as ever with committees, task forces, inter-departmental studies and so on, all of which are producing mounds of paper, but there is not one responsible politician who can get something going in time to be ready for the declaration of sovereignty. There is absolutely no sign of any extra funds forthcoming to meet the equipment, manpower, or operating costs which will be necessary to fulfil this new commitment.

Since the various agencies of government do not have the funds to enable them to carry out proper fisheries patrols in the much smaller area of sea currently claimed, we shall shortly be witnessing yet another example of a tired, worn out cabinet failing to reach any decision except that most common Liberal decision, the non-decision or decision by default.

Recently the minister and senior officers of the forces have taken to claiming that a shipbuilding program does exist. We have heard mention of a 20-year program; we have heard mention of 20 ships in 20 years. A general officer touring in Germany recently published an article in *Kanadaire* the service newspaper there, to claim that there was a shipbuilding program. Having heard these stories, I put a question on the order paper on July 6, question No. 5,479. It is reported in *Hansard* at page 15076 as follows:

1. Has the Department of National Defence set up a planning section or any other type of unit, section or project office to carry out planning and procurement of the 20 new ships announced by the minister and, if so, how many (a) servicemen (b) civilians are so employed?

2. What is the amount of money allocated for this purpose for the fiscal year 1976-77?

In his reply the former minister of national defence said:

No. Although no specific announcement about procurement of 20 new ships has been made, planning studies for ship replacement continue to be carried out by departmental staff as part of their regular duties.

He went on to say that parts (a) and (b) were not applicable, and that the answer to the second part of the question was "Nil". So much for Liberal promises about re-equipping our fleet.

To sum up, after a decade of neglect and cuts in defence spending we now find ourselves in a situation where we must race to catch up for the lost years and lost equipment dollars. Due to the negligence of successive defence ministers in the Trudeau era we must suddenly spend a disproportionate

amount from the federal budget on defence during the next few fiscal years. If the first effort, the LRPA debacle, is anything to go by, the House cannot allow the government to proceed any further with major procurement decisions affecting our defence policy for the next 20 years for this is how long the new weapons will have to last without a much fuller examination of its policy. Not only must we be told many more details concerning any future contracts but we must also make sure we buy the right items of equipment for the right price in the proper order of priority. Clearly the ministers who have been involved in such matters in the past proved incapable of handling them.

In the past several months there has been a continuing review during which the military and civilian officers of the defence department have sought to work out these questions. However, only the cabinet is privy to the information which is supplied from these sources. In the name of security and official secrecy the taxpayers, especially their elected representatives in this House, are denied such information.

At hearings of the Defence Committee which examines the estimates this problem was revealed at its most acute. Senior officials of the department were prevented from outlining even the broadest picture of future costs and priorities following the doctrine that once a policy had been submitted to cabinet for consideration they were not free to discuss it with members of parliament. On the other hand, if a subject had not yet reached the stage at which a firm proposal had been made for cabinet consideration, the officials refused, as they put it, to "speculate" except in a most general—and therefore pretty useless—way. One might be forgiven for believing that this practice was designed to deny information to the House. In any case the result is that the options for future defence arrangements which have been given to the cabinet have been denied to the public.

One consequence of this, of course, is that the military and others whose views the cabinet ignores tend to leak their plans to the press, partly no doubt because of the government's own use of this channel of communication. What we need is a new quorum or method of formalizing a proper debate on defence without endangering security.

A good example is the study which was conducted with regard to the closing of bases. This study was first mentioned last winter. Word spread that the government was considering the closing of several bases in the interests of rationalization. Question after question was asked in the House, and invariably the minister of national defence stonewalled, saying that the survey was under study by the cabinet and he was therefore not free to discuss the matter. We continued to press for answers, and then a strange press leak in July or August indicated that the study was no longer a current issue—no bases were to be closed. The whole thing was to be forgotten. This was followed, two days later, by a denial from the department. The matter was still under consideration by the cabinet—don't hold your breath waiting for the final answer. This leaves a terrible amount of uncertainty in the country.

Such cities as Edmonton, Calgary and London all have major bases; none of them know whether their base is the one to be chopped. This uncertainty is even worse than the final act of closing a base. I would ask the minister either to announce a policy and tell us what bases are to be closed, or to tell us frankly that there is no intention to close any bases.

One other thing I should like to mention. The re-equipment policy has been moving very slowly ahead. I would like to put it clearly on the record that the Conservative party believes that up to the present the Department of National Defence has not made a clear case with respect to the replacement of CF-101 Voodoo fighters. We are in favour of all other aspects of the re-equipment program.

● (1530)

My party supports, and incidentally has been doing so for rather longer than the present government, the need for new tanks, armoured personnel carriers, the replacement of the CF-104 Star Fighter in the ground support role, the long-range patrol aircraft and, not least, a new naval shipbuilding program. Those are things supported by myself and my party, and I want that clearly understood.

Finally I should like to say I had the pleasure this summer of visiting our peacekeeping forces on Cyprus and in the Middle East. All Canadians can be extremely proud of the very fine job they are doing out there under very difficult circumstances. They are tremendous troops and are capably led. I am sure General Clay Beattie is considered by Cypriots on both side of the demarcation line as being really the peacemaker and the peacekeeper on Cyprus. Anyone who would wish to discourage peacekeeping should compare the state that Cyprus is in with the state Lebanon is in. Lebanon does not have a peacekeeping force but Cyprus does.

While in Cyprus I had the privilege of being the guest of the PPCLI, a very fine regiment indeed—none better in the world, I submit. I wish to express my thanks for the courtesy and treatment I received from Lieutenant Colonel Gollner and his very fine battalion.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, it is not infrequently my fate to address the House on Friday afternoon. I should like to say to those who are present that I am reminded of the minister who, on a rainy day, said to the rather sparse congregation that he had the quality if not the quantity of his congregation with him. I think I can say that to the hon. members of the House who are with us still.

An hon. Member: Particularly looking forward.

Mr. Brewin: Mr. Speaker, the House in its wisdom has provided that the Speech from the Throne gives an opportunity for discussing any problems affecting the welfare of Canada. I therefore make no apology for directing my speech to the sphere of international affairs. However important our domestic problems are, and I know they are important, they are no more important to the future security and welfare of Canadi-

ans than the global inter-dependence which is an increasing fact of life.

It is no accident that questions such as survival in a nuclear age, food, health, population, the rights of women, and the problems of the environment have all been subjects for international conferences under the auspices of the United Nations, and at all of these conferences the view emerged that international action was required if solutions were to be found. One can add to this list the subject of inflation which is, after all, not purely a national phenomenon.

The first item in the international situation I should like to deal with is the immense mal-distribution of the resources of the world, both material and personal. It is estimated that the world is spending a figure of over $300 billion a year on arms. The world bank was asked to make an estimate of what it would cost to make the basic investments required to deal with certain fundamental obstacles, and it came up with the following figure: food and nutrition, $42 billion; education, $25 billion; rural and urban water supply, $28 billion; urban housing, $16 billion; urban transport, $8 billion; population and health programs, $6 billion, amounting in all to roughly $125 billion over ten years, or about $12.5 billion a year. I would ask you to compare those figures with the 10-year figure for arms expenditure which is expected to be at least $2,500 billion in the next ten years.

Proposals have been made to remedy this gross and insane misspending of resources. The Pope proposed at the World Food Conference a diversion of 10 per cent of arms expenditures to development aid. The Soviet Union, which is one of the main players in the lunatic game of over-kill and first strike capability, has also proposed a 10 per cent cut in arms, the savings to be transferred to development aid. Barbara Ward in her book "The Home of Man" repeats the proposal. It is my suggestion that Canada take up this proposal seriously and undertake to make its contribution of a 10 per cent cut in arms expenditures to be transferred to development and to meeting the basic needs of mankind, and to persuade other nations to do the same.

I referred to the Soviet proposal, which was responded to with a resounding silence. One is perhaps entitled to be skeptical about the bona fide intentions of a country devoted to arms expenditures such as the USSR. However, if it is a bluff the bluff should be called.

The former minister of national defence was obviously elated when he apparently persuaded the Cabinet to agree that military expenditures should not only keep up with the cost of living but should increase by 12 per cent a year. I suggest that his resignation gives an opportunity for reconsideration. There is no more inflationary an expenditure than spending on arms. It is not necessary in order to provide Canada's needs for defence, defence of her sovereignty, and to give priority to peacekeeping consistent with Canada's aims and objectives, to spend the amount of money that is being spent. I am well aware that there will be people in the House, as there are in the country, who will say that this proposal has no popular appeal. I think they are quite right. We have been conditioned to think of defence expenditure as sacrosanct. When one considers what could be done with the rearrangement of expenditures as suggested, namely, the proposal made of cutting 10 per cent of arms expenditure and applying it to development, it is in fact, counsel of sanity in a world that might otherwise drift toward self-destruction.

A second priority in Canada's international policy should be practical support for the new economic order. Canada is indeed committed to making the new economic order a reality and this commitment was referred to, albeit in rather vague terms, in the Speech from the Throne. I suggest that the importance of this cannot be exaggerated. World instability has resulted from gross inequalities between developed and developing countries. Developing countries entered on a path of confrontation demanding trade concessions and a change of structures in the world's economic system. They are now testing the developed world to see if it is ready to choose the path of co-operation and social justice.

In this connection I should like to pay tribute to the former secretary of state for external affairs. He was co-chairman at the North-South Conference in Paris at which positive solutions were being sought. I remind the House that a committee of this House in the last session studied thoroughly the matter of developing a new economic order and gave its support in practical terms to the liberalization of trade and greater stability of prices for goods sold by developing countries. To this end it proposed that a common fund should be set up for the purpose of creating buffer stocks and stabilizing prices. At the recent UNCTAD conference at Nairobi the Canadian government finally came up with a cautious approval of this project.

I hope the new Secretary for External Affairs (Mr. Jamieson), whom I congratulate on his appointment, will as soon as possible tell the House in detail what is proposed by the government on the whole question of the new economic order, the common fund, and commodity prices, and of developments at the North-South Economic Co-operative Conference. These questions cannot be solved by rhetoric alone. We have had plenty of that. They require action.

• (1540)

A third subject which I wish to discuss is the proliferation of nuclear weapons manufactured out of plutonium which can be produced in reactors sold by Canada. This was discussed in the last session, and the Conservative and New Democratic opposition parties voted against the sale of reactors under the existing circumstances. The case against these sales grows stronger and stronger. The leader of this party the hon. member for Oshawa-Whitby (Mr. Broadbent), proposed that the whole question of the production of nuclear energy be the subject of an inquiry by experts in the field, to be made public to the people of Canada, and that until such an inquiry had reported there be a moratorium on the sale of nuclear reactors or other material capable of being turned into nuclear bombs.

Recently a royal commission in Great Britain reported on this subject. They urged the necessity for wide public under-

standing and the need for public debate. They proposed that a major commitment to fission power should be postponed as long as possible, and that a commitment to large nuclear programs should wait until there has been wide public understanding of the implications of a plutonium economy.

In particular they urged that a high level body be established in Great Britain to provide advice on energy and to enable more research to be put into alternative solutions. In connection with the so-called plutonium economy they drew specific attention to the dangers of plutonium being used by terrorists to blackmail society and the small amounts required for the making of nuclear bombs. I join my leader and many others throughout Canada who have urged a moratorium on the sale of reactors for distribution as potential sources of extracting plutonium until a thorough inquiry has been made. Prestigious voices in the United States have supported this proposal for a moratorium, including David Lilienthal, former chairman of the Tennessee Valley Authority and an expert in the whole field of energy.

I myself have recently had an experience which demonstrates the need for caution. One of the countries to which we are proposing to sell one or two reactors is the Argentine. I and two of my colleagues, the hon. member for Egmont (Mr. MacDonald), and the hon. member for Montmorency (Mr. Duclos), recently returned from a trip to the Argentine. There could be little doubt about the instability of that country.

A military dictatorship has deprived Argentinians of their human rights; trade unions are virtually non-existent; the church and other institutions are under attack; many individuals are detained without trial; roughly 1,000 have totally disappeared and their families are unable to obtain any information about them. Shootings and assassinations are a daily event. The authorities in the Argentine do not deny that this state of disorder exists. They blame it on leftist guerillas. There seems to be widespread agreement among others that, in addition to left-wing guerillas, the "death squad" consists of right-wing elements who are determined to repress not only left-wing ideas but any democratic institutions which might be a source of opposition.

The government appears to be either unwilling or unable to control these terrorist gangs. While there is a vigorous campaign by the government to deal with left-wing guerillas no similar effort is made to restrain the right wing elements responsible, at the present time, for most of the disappearances and killings which have taken place. This has created an unstable society and one in which if the terrorists could secure plutonium and manufacture nuclear bombs, these could be used both within and outside the Argentine as a weapon of blackmail. As I said, the government authorities did not deny the breaches of human rights but justified this on the basis that a state of war existed. The Argentine has not signed the nuclear non-proliferation agreement, and although Canada has arranged for certain safeguards as a condition of sale, the safeguards are just as good as the recipients choose to make them.

We cannot enforce these safeguards. There are no effective sanctions. If governments or groups within the Argentine decide to disregard them, the threat of the misuse of nuclear weapons might spread among the nations of the world, and this is a threat to the survival of all of us. Canada should think again on this subject.

The central issue in the world today consists of developments in Africa. We must continue to hope for and assist in any way possible the granting of majority rule in Zimbabwe, but that is only part of the problem. There remains the continuing illegal occupation of Namibia, formerly German Southwest Africa, by South Africa. This situation flies in the teeth of the judgment of the world as expressed in United Nations resolutions. It will have to come to an end and should be ended by negotiations giving full independence to the majority, who consist of black Africans.

Another problem is the continuing curse of apartheid in South Africa itself. This evil system cannot continue indefinitely. There is one immediate development with which I wish to deal, and that is the effort of South Africa to obtain recognition from Canada and other countries for the so-called Republic of Transkei. This proposal is a patent fraud. Transkei is to be declared independent and made the national home of all Xhosa-speaking Africans. The Transkei's present population of about 1.7 million in a crowded, poor, and sparse country would increase to around 3 million.

An hon. Member: It is a beautiful country.

Mr. Brewin: It may be very beautiful but it is a very poor place in which to live and earn enough to eat, and with the added population there would be malnutrition and starvation. The Transkei cannot possibly support the added population which is supposed to go there. This is based on the artificial division of tribes or nations and requires the new citizens of Transkei to surrender their South African citizenship and all the privileges that go with it. Indeed the situation is even worse than this. Those capable of being employed in South African industry will remain in South Africa with a minimum of human rights while their families are transferred to the new Transkei. The South African government let it be known that arrangements will be made for black Africans to visit their relatives several hundred miles away once a year.

This is a wholesale denial of the basic rights of families to be united. The World Council of Churches which studied this matter condemned the manoeuvre of the South African government in creating the independent Transkei and called on its member churches to oppose the Bantustan policy, to withhold recognition of the Transkei as an independent state, and to withhold diplomatic relations with the Transkei that would imply recognition. I now ask the government to make clear in this House that Canada has no intention of granting such recognition. The south African government intends to declare the Transkei independent on October 26. I think our government should make up its mind by then and clearly declare what is its policy and decision on this matter.

I have only a short time available, Mr. Speaker, in which to touch on the few international issues affecting Canada. It is my belief, based on discussions I have had with people in different countries, that Canada can give real leadership. Despite all the weaknesses of the United Nations it remains the hope of mankind. We must persuade ourselves and our people not to allow disillusion ment to warp our judgment as to the importance of the United Nations despite its imperfections.

● (1550)

The basic interest of Canadians is to promote peace. Barbara Ward in the epilogue to her book "A Home of Man" states:

> We cannot defeat something by nothing. It used to be said that if you wish for peace, prepare for war. This phrase must be reversed and should be if you wish to avoid war you must work for peace. We have reached the point of talking together about the great common tasks of humanity—preserving our living environment, feeding the hungry, giving shelter to all our fellow creatures, treating with greater care and fraternal sharing the fundamental resources of water, minerals, energy, upon which our common life depends.

She asks if this is too vast a dream or too naive a hope, and answers that our planetary interdependence is as great as that of earlier states, that our knowledge is world-wide, and that we share equally our material existence. We can obtain security and peace if we understand the ultimate implication of the underlying unity of the scientific law first discerned by the Greeks, also of the underlying law of moral brotherhood and obligation most passionately proclaimed by the Hebrew prophets. We need a new fusion of vision and energy.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, first of all I wish to congratulate the hon. members for Restigouche (Mr. Harquail) and Lafontaine-Rosemont (Mr. Lachance) for the exemplary way in which they performed their duties as movers of the Address in reply to the Speech from the Throne. Both are promising backbenchers and I do not hesitate to say that they are brilliantly representing their constituents. They are obviously honouring them just like their predecessors, the Hon. Jean-Eudes Dubé and Mr. Georges Lachance.

I also wish to join all those who, before me, deplored the untimely death of Mrs. Albanie Morin whose political career was short but admirable. To her family and her relatives I wish to offer my most sincere condolences.

I also want, Mr. Speaker, to comment briefly on the article by reporter Pierre O'Neil published in today's *Le Devoir*.

Apparently it has been said that I would leave the federal scene to be a candidate on the provincial scene if there is an election. I want to deny categorically such a rumour, and I want to say that I am very proud to represent the electors of Montreal-Papineau in the Parliament of Canada, that I am very proud to belong to the Liberal Party of Canada, that I fully subscribe to the policy of our leader and that, God willing, I intend to stay until my mandate is over.

[Mr. Brewin.]

I do not make these comments in particular because of the rumour of my move to the provincial level but because Mr. O'Neil reports that, apparently, and I quote:

> . . . he seems to take for granted that the decision of the Court of Appeal will not be in his favour . . .

I want to say this: I have never talked about this matter with Mr. O'Neil, and I strongly deny him the right to make such a statement. I find it indecent that he should so comment on the feeling I might have at this time about a decision of the Quebec Court of Appeal which concerns me.

I want to say this: I have no apprehension, no fear whatsoever. I am neither optimistic, nor pessimistic. My feeling, for the time being, is one of expectation and if I could qualify this expectation, I would say that it is impatient, no more, no less.

I am happy to participate in today's debate because I want to say that the Speech from the Throne was excellent. It establishes clearly and precisely the Canadian government's policy. With this speech, we know exactly now where the Liberal Party of Canada stands and we can find in it a multitude of proposals on the Canadian government's intentions for the coming months in the best interest of the Canadian people.

So, I find very disappointing and unacceptable the amendment to the Address in reply to the Speech from the Throne moved yesterday by the leader of the opposition and seconded by the hon. member for Saint-Hyacinthe (Mr. Wagner). I am sure the House will reject that amendment because it has to be rejected. It is indeed very symptomatic of the attitude of the opposition which is constantly criticizing, but unwilling and unable to propose an alternative.

If I read the amendment proposed by the hon. Leader of the Opposition (Mr. Clark), I find that he would like the Speech from the Throne to be amended because it is a further example of the opportunism which has cost the present administration its credibility. He talks about opportunism . . . I think that instead of talking about opportunism by the government, he should talk more about the opportunism displayed by the leader of the opposition ever since he became head of his party, he who has made no concrete proposal as to how he would administer this country. He did nothing but criticize the government. Yet he has the nerve to declare before TV cameras—as he did again recently—that he does not intend to propose anything to the Canadian people. He is just standing there, hoping that the government's popularity will continue to plummet and that if we hold elections he will be able to get in by default.

I can assure the House of one thing: in spite of the difficulties this government may meet, I am sure that it is about to regain its popularity. The process is already under way and will improve in the coming months.

● (1600)

The Leader of the Opposition (Mr. Clark) has nothing to offer and will be defeated at the next elections precisely because neither he nor his pseudo-lieutenant in Quebec have any concrete solutions to suggest to the people.

I was dismayed to hear the member for Saint-Hyacinthe (Mr. Wagner) read his twaddle. I cannot understand why an experienced politician of his age cannot make a speech without having to read notes prepared by researchers from the Progressive Conservative Party.

An hon. Member: What is wrong with that?

Mr. Ouellet: And what is more I have the feeling they made him say things that he did not mean.

An hon. Member: That's it!

Mr. Ouellet: On hearing him speak, you have the impression that he feels very uncomfortable, very restricted within the Progressive Conservative Party and there is nothing new about that. All well meaning French-speaking Canadians from Quebec who have worked for the Progressive Conservative Party at the federal level have had to admit some day or the other that they were so restrained within that party that they had the feeling they were choking. I am thinking of the hon. Leon Balcer in particular. I am also thinking of the hon. member for Joliette (Mr. LaSalle) who had to leave at a certain time and came back for God knows why. Regularly Quebecers have felt choked up inside the Progressive Conservative Party. But when it comes to principles that party is always agreeable on the issues of bilingualism and the national capital, and the hon. member for Grenville-Carleton (Mr. Baker) alluded to it earlier today.

When it comes to principles it is always fine but when it comes to implementing the basic principles to keep this country united the Progressive Conservative Party has always been reluctant. It was only able to criticize to policy of the government. It could only say: Well, we agree in principle. But when it comes to implementing those principles, nothing goes. The approach is bad, or the government is wrong in its way of implementing bilingualism in Canada.

So again I ask the hon. member for Saint-Hyacinthe who spoke earlier today what are the solutions his party would put forward to better implement bilingualism in Canada. He did not make a single suggestion in his speech this afternoon, nor for that matter did the hon. member for Grenville-Carleton who, of course, is not satisfied to see the federal capital expand on both sides of the Ottawa River, to see all those beautiful federal buildings finally up on the Hull side, truly making the national capital not only a capital standing on the Ottawa side but properly extending on both sides of the river.

I think that is the basic difference between these two major Canadian parties; the Liberal party always had the respect, the qualities, the representatives of the two founding nations of this country. This party, the Liberal party, was never afraid to give French-speaking people a chance to have access to the high offices of this country. And still very recently the Progressive Conservative Party had a unique opportunity to give a capable man a chance to become the leader of that party and to aspire to the high office of Prime Minister of Canada. But he was denied that chance, he was denied that possibility, going down by 33 votes, and I understand that the hon. member for Saint-Hyacinthe should feel bitterness following that decision. But that is an undeniable reflection of the unbendable, unacceptable and unspeakable attitude of the Progressive Conservative Party which never agreed in the past and, until proven otherwise, will never agree in the future to give Quebecers, French Canadians, a chance to find fulfillment, first in their party, and then in all Canada.

Mr. Speaker, in the few minutes at my disposal during this throne speech debate, I wish to refer to three measures that I should like to see implemented during this session. First, I want the injustice done to many industrial milk producers in Canada to be corrected as soon as possible. Second, in agreement with the provinces, I should like the federal government to patriate the Canadian constitution as soon as possible. Third, I wish it were possible between responsible parliamentarians to amend our rules of parliamentary proceedings which are obsolete in many ways and provide us with ancient tools to work with in these modern times.

First, with regard to the farm policy, the national dairy program as we know it has serious deficiencies. In many circles, the federal government is held responsible for the disastrous financial situation of a number of industrial milk producers in Canada. First, those affected are those who had their quotas cut down by some 20 per cent without any overproduction and also those who were encouraged to overproduce after being promised quotas that they never obtained. It is true that in 1975, the Minister of Agriculture (Mr. Whelan) had asked the milk producers to increase their production. But, mind you, at the time the Minister of Agriculture was speaking of a 5 per cent production increase. Yet, production increased by 17 per cent. Who is responsible? I say that it is primarily the milk supply management committee which is made up of producers, of representatives of the provincial governments and the Canadian Dairy Commission. It is a committee of 23 members including 11 producers (members of the various Canadian dairy federations), 9 provincial representatives and 3 commissioners of the Canadian Dairy Commission.

Now, the Canadian milk supply management committee, which is responsible for production control, did not reduce the marketing quotas before April 1, 1976, even though they largely exceeded the Canadian demand. Now, this year, this committee reduced the quotas to the level of the Canadian demand, which automatically reduced materially in some cases the income of several milk producers. Can the federal government be held responsible for this situation? Before blaming it for everything, let us consider what happened in the past few years. Under the federal dairy policy, the target price of industrial milk was increased every year. In April 1973, it was $6.45 a hundredweight, then it went up to $8.50 in April 1974, to $11.02 in April 1975, and it stands at $11.45 since April 1976. This is a marked improvement for milk producers.

Furthermore, if we refer to the 1972-73 dairy year, we find that the federal subsidy was then $1.25 a hundredweight. In April 1973, it went up to $1.45 and later to $2.01. In 1974-75

it was increased twice: first to $2.30 and then to $2.56, and in the present dairy year, it went up to $2.66 a hundredweight.

Once again, there has been a clear effort on the part of the federal government to help milk producers. But, more important, I am pleased to say that when I was a minister in the Trudeau government, I was associated with the decision that the Trudeau government announced in April 1975 through the Minister of Agriculture (Mr. Whelan): a long term dairy policy would particularly provide for an indexation formula of the price of milk. As it happened it was in keeping with that formula that the price of indutrial milk has been fixed this year at $11.45 from $11.02 last year.

These are examples that show that the federal government does take into account the interests of Canadian milk producers and that it does understand their problems. I think that the present difficulties on the international markets are due particularly to weather conditions that were extremely favourable to milk production in 1975 and which resulted in excess production and also in lower consumption of dairy products in Canada, following the increase in costs.

Those are roughly the main reasons behind the problems of some milk producers. I am quite concerned by this situation which I think is very serious especially for a group of young producers whose average age is 30 and who, not more than five years ago, have established agricultural industries; they were asked to reduce their production by several hundred thousands of pounds of milk, and most of them have respected the quotas which were supposed to bring them some form of security. Most of these young people were trained in technological institutes and regional agricultural institutions; some have taken the courses given under the auspices of the agriculture minister of the province of Quebec. These young people have entered the field of industrialized agriculture, they have planned five-year or more than five-year programs and they have entered into important financial contracts now, the cutbacks announced during these recent months nearly smother them and create nearly irreparable damages.

One fears that if this condition is not amended as quickly as possible by the authorities responsible for the dairy policy, at the federal and provincial levels and by the dairy boards, some 30 per cent of the producers of industrial milk will have to disappear within two years, which would be extremely serious and would jeopardize the stability of an industry of import not only to Quebec but to the whole of Canada.

Therefore, we will have to take our responsibilities at the federal level although we are not directly and primarily involved in this situation and, as I have said before, it is no use playing politics with this issue and denounce the federal government as the main culprit. Provincial authorities and dairy boards must recognize their shortcomings and more particularly those who represent the milk producers on the various agricultural boards and agencies. The fact is that a number of these representatives, Mr. Speaker, were representing whole milk producers, which form an industry which is far richer far sounder and much better organized and which emphasized, in terms of quotas and subsidies, the benefits and interests of whole milk producers, and did so unfortunately at the expense of industrial milk producers.

I believe that, in the interest of our dairy industry as a whole, we will have to give guarantees to all producers as well as the assurance that the past benefits they gained will be maintained. And by this I mean to say that I believe it to be vital for the federal government to take the appropriate action to give back to some dairy producers the quotas that they lost in the last few months and to reinstate them in the position that they held with respect to their production level of 1974-75. I believe it is urgent that the government should set back the production quotas to the production level of 1974-75 by means of subsidies to all producers, who would then be treated fairly, and also that he should urgently redistribute subsidized production quotas to those dairy producers who have invested tremendous amounts of money with the promise of additional quotas or to those who, without having any overproduction, either because of fire or cattle disease, have seen their production fall considerably below their recommended and approved quota and who have had part of their quota removed even though they had fallen short.

Here are the suggestions that I should like to make. I believe that in the interest of the Canadian dairy industry, we should give our milk producers assurances of survival, dignity of life in the farming community. I believe that the future of Canadian consumers does make it essential for farm producers to be well protected and for their income to be guaranteed, otherwise dairy production will go down and we shall have to rely on imports to feed the people of Canada. And I am convinced that we would then pay more for our dairy products than at the present time.

Secondly, I would like to speak briefly to the constitutional issue and the repatriation of the Constitution. I am doing so today on this very special occasion when the Canadian government has paid tribute to a great Canadian, the Right Hon. Louis St. Laurent, and unveiled a monument in his honour in front of the Supreme Court of Canada building. You all know that in 1949, the Right Hon. Louis St. Laurent, then prime minister of Canada, asked the Canadian Parliament to adopt a petition through which it obtained from British Parliament the right to amend the Canadian Constitution except in certain more controversial areas, such as the rights and powers of provinces, the jurisdiction with respect to education, the official duality of languages, the length of Parliaments. This was called at the time, and indeed, it is still called the partial repatriation of the Constitution. I would like to quote this excerpt from a book written by a former federal minister, the Hon. J. W. Pickersgill, and I quote:

● (1610)

[*English*]

—the title of the book is "My Years with Louis St. Laurent" and I quote from page 113 as follows:

> St. Laurent proposed that . . . the Canadian parliament should seek from the British parliament an amendment to the British North America Act to do three things: 1. to entrench the rights or privileges with respect to schools and the use of the English or the French language granted to any class of persons by the

constitution; 2. to give the parliament of Canada exclusive jurisdiction to amend the constitution, except with respect to the minority rights regarding schools and languages and except in relation to provincial jurisdiction or provincial rights or privileges; 3. to give the parliament of Canada jurisdiction as well to make amendments relating to the matters which were not within its exclusive jurisdiction, but to provide that no such amendment would come into effect unless and until it was enacted as law by the legislatures of all the provinces.

[*Translation*]

As everyone knows, the first two proposals have been approved by the Canadian Parliament, and those first two objectives sought by Mr. St. Laurent have been approved and have now been enacted.

But the last objective he had in mind at the time has not been achieved. It is somewhat unfortunate, because it is clear that part of our constitution has not been patriated. The formula put forward at the time by Mr. St. Laurent entailed serious hazards and dangers, for there would have been a general outcry. Further on in his book, on page 121, Mr. Pickersgill states:

[*English*]

If that had happened, Canada would have been spared, since 1949, the continuing humiliation of having to ask the parliament of another country to amend our fundamental law. St. Laurent's proposal that no amendment affecting provincial rights or provincial jurisdiction could be made without the approval of all provincial legislatures was perhaps too rigid; but in fact, since 1907 the British parliament has not been asked to make such an amendment without approval of all provincial authorities nor is it likely to be.

Mr. Pickersgill ended the chapter on this subject by saying:

In the end, St. Laurent's formula of 1949 may prove to be the solution.

[*Translation*]

Mr. Speaker, here are some reflections on Canada's current situation. We are a nation with its constitution in another country. If we amend, that is if we patriate the constitution without an amendment formula, we will remain the only nation, not with an expatriated constitution, but with an unamendable constitution. Clearly, what is needed, both from the federal government and the provincial representatives, is goodwill to attain that vital goal, a truly Canadian constitution, a constitution that will be for us another great symbol of unity.

There was much talk about the Canadian flag. It was said that the flag was a divisive issue. The Right Hon. Lester B. Pearson, however, had the courage to give this nation a truly Canadian flag, despite protests from a few Progressive Conservatives and a few bigots. In my view, this Canadian flag is a token of unity in this country, and I believe the Right Hon. Pierre Elliott Trudeau will shortly demonstrate the same kind of courage as Mr. Pearson did, I believe he will give Canadians a truly Canadian constitution despite the protest from some Progressive Conservatives and some bigots. In this way, we will have a constitution we can proudly call our own, for the well-being of all Canadians.

And this much I can state: as a Quebecer, I have absolutely no fear of a Canadian constitution. I am certainly not afraid that such a constitution reduce in any way the rights and provileges already enjoyed by Quebecers. As for the utterance by certain Quebec quarters that the province of Quebec should have more powers, I am not opposed to granting certain extra powers. But I insist on one condition: if ever Quebec is given extra powers, I want to be sure that the rights and privileges of Quebec MP's are not reduced. Because the Quebec MP's would then lose their true *raison d'être* in Canada's Parliament, and we would soon enter into an associated state or special state situation, with second rate and second class Quebec MP's. That I want to prevent.

I will close my remarks, Mr. Speaker, on a third matter: parliamentary reform. We are speaking on this subject on a Friday afternoon. I find this inconceivable, since a vast majority of members of parliament who live in the remote corners of this country have to travel regularly every week-end to go and see their constituents in British Columbia, Newfoundland, Alberta and Prince Edward Island.

I think it is very important that we modify our parliamentary procedure in order to sit longer hours certain days of the week. The House should sit four days instead of five days a week. I am sure that there are a lot of ways in which we might improve the parliamentary procedure. After having studied the House procedure, a committee has made a series of recommendations. Our colleagues of the Quebec and Ontario provincial legislatures have attended committee meetings or a Liberal caucus and have made a series of very timely recommendations which, I hope, will be taken into consideration as soon as possible by Parliament.

● (1620)

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, nothing gives me greater pleasure than to speak after the hon. member for Papineau (Mr. Ouellet) and refute some of the things he said. I am thinking especially of what he said about the language issue and the Progressive Conservative party, which will form the next government of this country after the next general election.

An hon. Member: That will be a black day.

Mr. Coates: It will not be anything as black as the present day. Day in and day out as a nation we suffer the consequences of being governed by this government. It will stay in power until 1978, when it will be forced to call an election.

The hon. member for Papineau asks, what's wrong with the language issue? I will tell you one of the things wrong with it. The hon. member for Papineau and others like him, when the Official Languages Act was first mooted, travelled around the hon. member's province. Those who did not agree with him and his concept of bilingualism in Canada were called racists and bigots, and he included members of this House. That's what's wrong with bilingualism.

Mr. Dinsdale: That is why the country is divided.

Mr. Coates: If you speak your mind and say what the people you represent think, you are labelled a bigot and racist. Mr. Speaker, most members elected to this House are not racists or

bigots. If they were, they would not be here. Most members seeking election are good Canadians who want to make Canada a better place for themselves, their children and their children's children. We must take the emotionalism out of the language issue, an emotionalism which makes people like the hon. member for Papineau and those of his mind say that if you disagree with the government's concept of bilingualism you are a racist and bigot.

Some hon. Members: Hear, hear!

Mr. Coates: Let's face it; in the years since the Official Languages Act was passed we have learned that the government's concept of bilingualism is not workable and not acceptable to Canadians. The best evidence of that is that the hon. member for Winnipeg South (Mr. Richardson) recently resigned from his portfolio as minister of national defence. If the hon. member had to resign his portfolio as minister of national defence because he is concerned about what will happen in this country with regard to the Official Languages Act and bilingualism, I say there is something mighty wrong with the act and the government's concept of it.

The hon. member for Papineau also said that the Conservative party is a narrow party which is suffocating people.

Mr. Dinsdale: Now it is the only national party.

Mr. Coates: If you want to see a party which suffocates people you need look no further than the Liberal party. Many are leaving the Liberal party because they feel suffocated by it. The man who was runner up to the Prime Minister (Mr. Trudeau) at the last Liberal leadership convention, the late Robert Winters, felt there was no room for him in the Liberal party. After running second to the Prime Minister in the leadership race he felt that he could not be a candidate for the party in another election. Soon after the Prime Minister took office the then minister of transport, who was also deputy prime minister, left the party. He resigned his portfolio, left the party, and became a Progressive Conservative. Why? He felt suffocated in the Liberal party.

There is to be a by-election on Monday in Ottawa-Carleton. Why is it necessary to call a by-election? The reason is this: the previous minister of finance, the heir apparent to the Prime Minister, found there was no room for him in a Liberal party which suffocated him. He could stand it no longer, got out of politics and took up another occupation as a lawyer in Toronto. The hon. member for Papineau talked of suffocation. Let me tell you, Mr. Speaker, there is no suffocation in the Conservative party. Let me give you an example of what I mean.

• (1630)

The hon. member for Saint-Hyacinthe (Mr. Wagner) spoke here earlier today on behalf of the Progressive Conservative party. He is a very willing and able member. As far as Quebec Liberal members are concerned, he is a devastating member. He put forward a Canadian concept which Canadians can agree with and live with. It will be implemented just as soon as a general election is held and this party becomes the government of Canada.

[Mr. Coates.]

Some hon. Members: Hear, hear!

Mr. Coates: There is no suffocation in the Conservative party. I say to a great many disenchanted Liberal members of parliament, come on over and join us.

Some hon. Members: Oh, oh!

Mr. Coates: You will find there is no suffocation here. You will be able to speak your mind, you can say what you think. You have the ability to make a better Canada, not only for us, but our children and their children. I invite you to come over.

I believe there are members opposite who would like to join this party. We need you. Canada needs you. We do not need a party which talks about bigots and racists and not about economic matters that concern Canadians. Canadians do not like the road we are going down. They want to get on the right road, and the right road is the road with Joe Clark.

Some hon. Members: Joe who?

Mr. Coates: You will find out next Monday night when for the first time in 74 years the constituency of Ottawa-Carleton returns a Progressive Conservative member of parliament. The very fine lady who will be representing that constituency will be sitting on this side of the Chamber. Canadians are not happy with the government. As a result, Jean Piggott will overturn a 10,000 Liberal majority and come here to show how disenchanted people are with the Liberals.

Mr. Cullen: Even Walter doesn't believe that one.

Mr. Baker (Grenville-Carleton): Yes, he does.

Mr. Coates: I was impressed with the statements made today by the hon. member for Saint-Hyacinthe and the hon. member for Grenville-Carleton (Mr. Baker) on the language issue. They made unemotional, sensible, realistic approaches to that policy, a policy Canadians will get when the Progressive Conservative party forms the government of Canada after the next general election.

There were times when I was unhappy with the Commissioner of Official Languages, Keith Spicer. However, I must say that he has shown realism in his reports with regard to producing an approach to bilingualism that will work. The sooner that approach is implemented, the better it will be for all Canadians. The sooner we get that issue out of the way, the sooner we can deal with other important and difficult problems.

Unemployment is increasing in Canada at a mile a minute. If we continue the way we are going now, one million people will be unemployed in this country by the end of the year. This condition will worsen with escalating energy costs. We have to sit down and work together. We must get the language issue out of the way so that people are not first concerned about an emotional issue, but about the bread and butter issues.

I wish to speak briefly on my part of this country, Atlantic Canada. In 1968, the Prime Minister inspired the people of Atlantic Canada. He convinced them that he had their best interests at heart. He talked about regional economic disparity

and put in place the Department of Regional Economic Expansion. Millions of dollars were committed to that department in order to try to meet the hopes and aspirations of those in Atlantic Canada.

As I look at the unemployment statistics today and compare our area with the rest of Canada, even with the millions of dollars that were committed and with all the good intentions of the government, it has not worked out as well as hoped.

I do not fault the government for its good intentions, which I believe it has. I have always been willing to work with the government in trying to meet the hopes and aspirations of those in my area. I am going to suggest to the government how we might overcome some of the problems we are facing and some of the reasons why DREE is not working as well as it should.

I have no disagreement with the Prime Minister appointing Ministers of State. That is a realistic concept. A cabinet should be stratified because there are a great many difficult problems at different levels. Thirty people cannot come to an agreement as quickly as five or six. Therefore a stratified cabinet is the proper solution.

The Minister of Finance (Mr. Macdonald) and the Minister of Manpower and Immigration (Mr. Cullen) are both here. They are deeply involved. I suggest it would be a wise decision to have a Minister of State appointed who would have one responsibility. That minister would look at every program designated to overcome regional disparity in Atlantic Canada. Following an indepth examination of those programs, he would then examine all government programs to see whether they are damaging the concept of the regional programs. Let me give an example.

The user-pay concept in transportation will destroy Atlantic Canada. There are no two ways about it. Transportation must be a development tool in Atlantic Canada if we are to overcome the disparity we face. The user-pay concept has never before been applied, and should not be applied now. Transportation has been and continues to be a curse to Atlantic Canada because we do not have the right kind of development policy.

The user-pay concept is not applied to the St. Lawrence Seaway which does not receive enough revenue from the tolls to pay the interest on its indebtedness. If that were to be put into effect on the Seaway, we might as well seal it off, as well as the whole St. Lawrence River, because there would not be a ship in the Great Lakes.

We must forget about the user-pay concept in transportation and have a realistic policy of development. We should use the railways for the development of both eastern and western Canada so that we can come closer to an equality of trade right across this nation. That is just one example.

● (1640)

Now consider energy rates. Prince Edward Island and Nova Scotia are facing, and will continue to face, energy rates which are higher than in any other part of Canada. This is because those provinces are almost totally committed to the use of offshore oil for the production of the energy they require. Unless they are given some form of short-term subsidy we shall find a noose has been tied around the necks of industries which were established in their present locations only after the expenditure of millions of dollars of taxpayers' money. Mr. Speaker, it is absurd to use taxpayers' dollars to establish an industry and then allow energy costs to escalate to a point at which those same industries are put into bankruptcy, which is exactly what will happen unless the federal government recognizes that short-term subsidies are the only assurance of the continuing viability of a great many industries in Atlantic Canada.

I could give other examples of cases where federal programs have destroyed the regional programs established earlier to overcome one or other aspect of regional disparity. Something has to be done about this situation, and the best way of doing it is to make one minister responsible for the overseeing of all these programs. Part of his job would be to call public attention to cases where there is a conflict between the national and the regional program and to stimulate public discussion as to the manner in which such conflicts could be resolved. In effect, he would allow a regional program to operate, in the first place, and continue to do the job it was supposed to do. This can be done, Mr. Speaker, as long as we take the people of the area into our confidence, as long as "made in Ottawa" programs which are later found to be unworkable in the maritimes are not pressed upon the people of the region. In so many cases one finds that they are unworkable because no one in the maritimes was consulted as to whether they were likely to work or not, or because people in Ottawa have no conception of what they are up against in the Atlantic area.

My leader has indicated that if the party to which I belong were in power today we would introduce a short term subsidy program for the benefit of the people of Atlantic Canada so that they would not be called upon to face the horrendous energy costs presently being charged, costs which are likely to rise even higher in the months ahead. Let me give hon. members an example of what is involved. There are people owning electrically-heated homes in Atlantic Canada who are paying more for their power than for their mortgages.

Mr. Muir: Some of them are losing their homes.

Mr. Coates: Many are losing their homes. Moreover those homes are unsaleable because nobody in Nova Scotia wants to buy an electrically-heated house today, so the owner is saddled with a house which he cannot sell and which he cannot afford to keep. Yet there was a period in which those home-owners were duped by advertising agencies associated with the power companies into buying electrically-heated homes under the impression that it was cheaper to heat them that way than by any other means. Well, they have found out by now that there is nothing cheap about those homes. Many of them are built in such a way that they can be heated only by electricity; it is not practical to convert them to oil heating or gas by putting in a furnace. Something should be done about this serious burden

which many people in my own province of Nova Scotia are being asked to carry today.

I am concerned about the government's attitude toward the development of Fundy tidal power. As the Minister of Manpower moves up the echelon of cabinet positions and gets closer to the top I hope he will see that greater impetus is given to the drive to utilize Fundy tidal power. The Minister of Finance was always a realistic and sympathetic proponent of Fundy tidal power, and I hope that with ministers like the Minister of Finance and the Minister of Manpower we can move a lot faster toward the day when we call tenders and begin to harness Fundy tidal power. When I watch those tides coming in and going out, reaching a height of 54 feet on occasions, it does not seem realistic to me that all this latent power should not be used to the advantage of this country especially since the engineering expertise is available to us whenever it is required.

In Nova Scotia we are at a particular disadvantage since we are committed to the most expensive energy-producing fuel which exists today, namely, oil. At the same time there is coal galore in our province. When it took office, the Regan government in Nova Scotia embarked on a policy of closing every coal mine which could possibly be closed. Today, it is thinking about opening coal mines. What a sad state of affairs! It may well be that the coal which would be used to produce power in Nova Scotia would not be any cheaper than the oil which is producing it today, but I must say this: If the power were being produced from coal, at least the billions spent on producing it would be staying in Nova Scotia and not going to Venezuela or some other foreign country.

I hope the federal government will wake up the Regan government and induce it to move into coal and coal mines a lot faster than it is doing now. I am not thinking only of coal mines. We might well take an example from South Africa where, by making use of the gasification process, they not only produce gas but also produce petroleum for use in their automobiles. If it can be done in South Africa, it can be done here provided we have the desire and the determination. That is what we are lacking today. We lack the leadership, the desire and the determination to overcome the adversity which faces some parts of Canada. The government needs to wake up, or else some new people are needed in the government, people with a desire to produce the programs the people want and need. An election and a change of government would do the country an awful lot of good.

Before I conclude I should like to make one comment on external affairs. It relates to the Taiwan affair. I was extremely disappointed over the government's attitude toward that small democratic nation.

● (1650)

Some hon. Members: Oh, oh!

Mr. Coates: It is nice to hear some people laugh, but I would suggest to you that democracy lives and thrives in Taiwan while the antithesis of democracy exists on mainland China. There is no freedom there for anyone at any time. I suggest to hon. members who have not been to Taiwan and have not studied the democratic system which exists there that they should read something about it, and perhaps they would not be so critical.

An hon. Member: How many parties do they have?

Mr. Coates: They have a lot more than they do on the mainland. They do not have marshalls and palace guards and things of that nature who have no respect for the freedom of the people or their lives, and that is the situation on the mainland where 800 million people are being controlled under the yoke of tyranny and totalitarianism. If that is what this government wants, that is fine, but I want to stick with democratic nations and peoples who are our friends, and have been our friends through war and peace.

The sooner this or another government wakes up to the fact that our best partners are those democratic nations of this world the better off and the happier all Canadians will be. If the government wants to know why its state is so low at this point in time I suggest it is because of situations that have developed in this country since 1974, such as the Taiwan affair, which destroyed and will continue to destroy the credibility of the government.

The final thing I wish to suggest is that we have another oasis of freedom in the Middle East in Israel. I hope the government will continue to assist that small nation in developing in the way it has, and to see that its boundaries are defensible and secure so its people can enjoy freedom of life, peace, and security. I am not critical about the government's policy as far as Israel is concerned, but I would refer to the remarks of the hon. member for Saint-Hyacinthe regarding the passport situation. This involved people travelling to Arab countries with stamps in their passports indicating they were non-Jews. That is a despicable thing to have happen to anyone in this country. I cannot understand how any government agency would be allowed to put such a policy into effect. Canadians are entitled to an explanation of how that happened, and an assurance that the people involved are no longer associated with external affairs. Canadians would then be a great deal happier about the situation.

My time has just about expired. Before I sit down I should once again like to urge the Minister of Finance and the Minister of Manpower and Immigration to assist in developing some kind of monitoring agency to see that regional programs in Atlantic Canada are made workable and effective in overcoming the regional disparity there. I hope they will make sure that national programs do not thwart the intentions of regional policies.

Mr. Deputy Speaker: With only three or four minutes left until five o'clock it has been suggested that we call it five o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, the House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(2).

At 4.56 p.m. the House adjourned, without question put, pursuant to Standing Order.

APPENDIX "A"

UNVEILING OF STATUE OF RIGHT HON. LOUIS ST. LAURENT—SPEECH BY PRIME MINISTER

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): We are honouring today the memory of a man who, in spite of staggering odds, served his country exceptionally well.

Nothing seemed to incline the lawyer Louis St. Laurent to politics and even less to mark him out for the highest office in government. Yet, at an age where others are already considering retirement, he acceeded to supreme power and pursued one of the most remarkable political careers in our history.

[*English*]

The unpredictability, the impassioned debate and the frustrations that mark political life could not have been attractive to this man of order and reason, of measured, regular habits. But when he entered the political arena the war was raging and a formidable crisis threatened the country.

It was only out of duty that Louis St. Laurent took the first step which would lead him so far, involve him for so long and demand so much of his energy and himself. It was out of duty that he responded the first time to Mackenzie King's call to succeed Ernest Lapointe as Minister of Justice and leader of French Canada. Later, again out of duty, he accepted the External Affairs portfolio that his leader pressed upon him. And finally, out of duty once more, he yielded to the wishes of Mackenzie King who saw him as his successor, and he became Prime Minister of Canada.

Thus, each of the major stages in his political career began in the austere and pure light of duty. The same moral purpose guided and directed all his actions, whether dealing with his French-speaking compatriots or the country as a whole.

[*Translation*]

He had a deep love for Canada and never questioned the concept of our Canadian identity, which explains his almost religious concern for Canadian unity. In that respect, he did not hesitate to jeopardize his prestige, his popularity and his political capital. And the people whom he trusted, proved him right. His courage and his devotion to duty were a lesson and a salvation for the whole country. Such broad and rigorous views guided his actions on the international level. His name remains linked to some achievements which safeguard the western world to this day and contribute to world peace.

A true Canadian, an exemplary citizen, a first-rate politician, Louis St. Laurent won world-wide recognition and acclaim. May this monument which I have the honour to unveil, as well as the square and spacious grounds which will bear his name, perpetuate forever the memory of the Right Hon. Louis St. Laurent as well as the example of his remarkable virtues.

APPENDIX "B"

UNVEILING OF STATUE OF RIGHT HON. LOUIS ST. LAURENT—SPEECH BY SECRETARY OF STATE

Hon. John Roberts (Secretary of State): Your Excellencies, Mr. Prime Minister, Your Eminence, members of the St. Laurent family, honoured guests.

It is indeed a great pleasure and honour for me as Secretary of State to welcome you to this unveiling ceremomy, graced by the presence of:

Leurs Excellences Le Gouverneur Général et Madame Léger

Le Premier Ministre et Madame Trudeau

Chief Justice Bora Laskin

The Right Honourable Roland Michener and Mrs. Michener

The Right Honourable John Diefenbaker

L'honorable Renaude Lapointe

The Honourable James Jerome and Mrs. Jerome

Son Excellence M. Philippe Cantave et Mme Cantave

Mrs. Lester B. Pearson

Mayor Lorry Greenberg and Mrs. Greenberg

Le Ma[illegible].e de Québec et Madame Lamontagne

Le Maire de Compton et Madame Beaudoin

Le député et Madame Gérard Duquet

We are very happy today to have amongst us members of the St. Laurent family represented on the platform by:

Monsieur et Madame Renault St-Laurent

Monsieur et Madame Jean-Paul St-Laurent

Monsieur et Madame G. Lafferty

Madame Madeleine St-Laurent et Madame Thérèse Cartier

Such an occasion would not be possible without the talent of the sculptor Mr. Elik Imredy of Vancouver who has joined us here today with his wife.

Today, we honour the memory of Louis S. St. Laurent, former Prime Minister of Canada. It is my great pleasure to ask The Right Honourable Pierre Elliott Trudeau, Prime Minister of Canada to deliver the eulogy and to unveil the statue.

Mr. Prime Minister . . .

HOUSE OF COMMONS

Monday, October 18, 1976

The House met at 11.00 a.m.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

REASON FOR DELAY IN ANNOUNCING POLICY CHANGES—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, involving transportation. On April 6 of this year, the Minister of Transport appeared before the relevant standing committee and promised a new Air Canada Act, a new transportation act, a new ports policy and a re-examination of the St. Lawrence seaway. A year before that, the former minister of transport announced there would be a regional third level air policy and on March 14, 1972 his predecessor promised sweeping transportation changes involving the CNR, Air Canada and the Railway Act amendments. Therefore, I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That because of the unprecedented delay in implementing these various obvious and important changes, the present Minister of Transport make a statement on motions at the first opportunity explaining to the House the reasons for this procrastination and giving the precise date when Air Canada officials who have not appeared before the relevant committee of this House during the past three years—at that time the 1972 annual report of Air Canada was discussed—will appear.

Mr. Speaker: Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

PROPOSED REDUCTION IN AGE OF ELIGIBILITY FOR OLD AGE PENSION—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in recognition of the fact that today is the Prime Minister's birthday—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —I would like to present a motion under Standing Order 43. Since three years from today the Prime Minister will be at an age when a certain proposal of mine might be of interest to him, especially if by that time he is unemployed,—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House urges the government to proceed immediately to provide pensions at 60 for all those who are out of the labour market.

• (1110)

Mr. Speaker: Such a motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EXTERNAL AFFAIRS

SUGGESTED APOLOGY TO DR. GALBRAITH FOR REMARKS BY MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity.

In view of the remarks of the Minister of Finance (Mr. Macdonald) on CBC television last week in relation to Canada's economic future in which he referred to the economist John Kenneth Galbraith as a "gadfly" whose economic propositions are "too shallow", I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House direct the Secretary of State for External Affairs to extend apologies to Dr. Galbraith for the minister's extravagant cheap shots.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Such a motion can only be debated with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

REQUEST FOR REDUCTION IN BEEF IMPORTS FROM AUSTRALIA—EFFECT OF CHANGE IN METHOD OF ISSUING IMPORT PERMIT

Mr. John Wise (Elgin): Mr. Speaker, my question was to be directed to the Minister of Industry, Trade and Commerce, but in his absence I will direct my question to the former minister. It deals with the status of the Canadian beef industry.

In view of the obvious reluctance or, indeed, failure or refusal of the Minister of Agriculture to implement a temporary embargo on Australian and New Zealand beef and veal imports—but rather, the government has opted for import permit controls—will the minister assure the House, and particularly the Canadian beef industry, that beef imports from those sources will cease or at least be reduced substantially? This is a very important question because comparing boatloadings from September to September from that source to Canada they appear to be up some 61 per cent. Can the minister comment on that situation?

Mr. Speaker: Before the minister does comment, it should be made clear that he would be doing so as the Acting Minister of Industry, Trade and Commerce and not as the former minister.

Hon. Donald C. Jamieson (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, I agree with the hon. member that the question is a very important one, and because it is and because it involves a number of different countries, including those to which the hon. member made reference, I do not think it would be appropriate at this time to go into it in detail, other than to say that all the aspects of the question are being examined both by the Minister of Agriculture and other concerned ministers. I hope that there will be some clarification within a very short time.

Mr. Wise: I wonder if the former minister would be kind enough to respond to my supplementary question. Can the minister confirm or deny that recent changes in the method of issuing import permits have actually made it easier for the importation of beef? This action must be viewed as an indication that even greater imports will result.

Mr. Jamieson: On the specifics of the question, certainly the intention was not to allow more beef in, as the hon. member has suggested, but to restrict imports. However, as I say, I believe the total picture will become clearer in the next few days as all of the necessary information with regard to shipments in transit and various related questions becomes known.

[Mr. Speaker.]

AGRICULTURE

BEEF IMPORTS—REQUEST FOR ACTION TO REDUCE IMPORTS FROM AUSTRALIA

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my question should normally go to the Minister of Agriculture. In his absence perhaps it should be directed to the acting minister or his parliamentary secretary.

An hon. Member: Nobody is there.

An hon. Member: Here is the minister now.

Some hon. Members: Hear, hear!

Mr. Hargrave: I have a question for the late Minister of Agriculture.

Some hon. Members: Oh, oh!

Mr. Hargrave: My question is also with regard to imports of meat from Australia and New Zealand and with particular reference to the minister's response to my question in this House on Friday in which he said very clearly, and I quote: "As a result of government action no beef or veal will be allowed into Canada after Sunday night, October 17, unless by permit".

In view of the very real possibility that the use of this individual permit device could result in increased imports from Australia and New Zealand, will the minister now clearly indicate if he intends to use this permit device to restrict imports from Australia and New Zealand into Canada?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we certainly cannot be a dumping ground for beef from any country which has been denied the opportunity to ship beef into the United States. We have to make sure that we take similar action so that any beef which comes in, as of midnight last night, would have to have a permit. The quotas are being worked out and will be announced shortly, if there are to be quotas for beef, for instance, from New Zealand and Australia. I understand that the quotas the United States has placed on Canada, if they have not been announced as of today, will be announced later in a more firm type of statement than that which was made last week. Our officials met with United States officials last week to try to work out a proper program between Canada and the United States. It will be on beef and veal; ours will be on beef and veal. Live cattle will move between the two countries freely because they are not affected by the import quotas the United States has placed on our beef.

Mr. Hargrave: A supplementary question. In view of the fact that these imports from down under continue to have access to our Canadian markets at price differentials well in excess of the "six cent under" agreement and in view of the fact that our 1976 imports from down under will amount to 10 pounds to 11 pounds per capita, which is about 10 per cent of our total consumption, does the minister not feel it is about time he showed the Canadian cattle industry that he is con-

cerned and able to act on behalf of this industry as the secretary for agriculture in the United States is apparently able to do?

Mr. Whelan: Mr. Speaker, I think the hon. member should remember that last year I did act on behalf of the beef producers of Canada and did establish import quotas from the United States and import quotas from Australia and New Zealand. If you remember, there was strong representation for me to lift those. I did lift them last December. We did have a supply-management program that we were trying to run for Canada and now the secretary of agriculture for the United States has seen fit to try to run a supply-management program in his own country.

* * *

THE CANADIAN ECONOMY

REQUEST FOR FORECAST OF LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Can the minister tell the House whether the unemployment forecast for 1976 made by the Conference Board of Canada, which is 7 per cent, or that of the Toronto Dominion Bank at 7.6 per cent is accurate and if neither would he provide the House with the government's forecast?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I should like to study them in more detail. I think, as the Prime Minister said on one occasion, that what we need is more one-handed economists. We get one economist saying that, on the one hand, we have this and another economist saying, on the other hand, we have that: I do not like to play with figures. I am more interested in getting those Canadians who want to work, back to work.

UNEMPLOYMENT—REASON FOR FAILURE OF GOVERNMENT TO PROVIDE ESTIMATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is obvious from the answer that the minister has been in cabinet for some time. I should like to shift now to the Prime Minister. Since the white paper entitled "The Way Ahead" estimates a high level of unemployment throughout the rest of the 1970s, could the Prime Minister tell the House why the government in that white paper did not inform the people of its own estimates in percentage terms for unemployment in the 1970s? Related to that, would the Prime Minister confirm an outside estimate that we are currently losing $6 billion to $7 billion in output because of the current levels of unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the discussion paper to which the hon. member refers does indicate that there are pressures on the unemployment situation due to the fact that the economy will be growing more slowly and that the labour force will continue to increase at least until the early 1980s. For these two reasons we have made an estimate that the unemployment problem would be serious, and it is this that we wish to point out to all Canadians. I think the matter of exact percentages is beyond our power to state. We make estimates but I would not want the New Democratic Party to concentrate on the figures; I would prefer if it concentrated on the problems generally mentioned in the paper, and use whatever influence it might have on the various sectors of the economy to co-operate with the government in seeking a remedy to them.

Mr. Broadbent: A final supplementary question, Mr. Speaker. The government was not at all reticent about putting forth estimates on its anticipation of the levels of inflation in the past year, so I cannot understand its newfound reluctance to do so for unemployment. I should therefore like to ask the Prime Minister, if he expects the people of Canada to take his government seriously in terms of its commitment to deal with unemployment, why will the government not follow the example of the United States, Great Britain and other governments in the western world and tell the people directly what they anticipate unemployment levels to be in percentage terms?

• (1120)

Mr. Trudeau: Mr. Speaker, I believe the whole basis of the question is ill-informed and unfounded. When the hon. member says we have given figures for inflation I ask him, where has he seen such figures? We have indicated the dangers of inflation and set guidelines in the controls program as to where we want the level of inflation to be; but we have not been making precise prognostications about either inflation or unemployment. We believe they are both serious problems.

Mr. Broadbent: Give us your target for unemployment, then.

Mr. Trudeau: Mr. Speaker, we say unemployment will be dangerously high. That should be of sufficient concern to the hon. member that he would not want to have exact figures. Whatever figure I give him he will say is too high, and if he does not, he should.

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POST OFFICE

GOVERNMENT ACTION TO RESOLVE PROBLEMS WITH UNION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General.

Mr. Hnatyshyn: He is out of the House, delivering mail.

Mr. Dinsdale: I regret that he is not present in the House this morning, because I wanted to congratulate him on assuming his responsibilities. I wish him well in his attempts to establish une entente cordiale with the officials of CUPW. In his absence perhaps the Prime Minister or someone concerned about this vital subject will reply. In view of the vital importance of a reliable postal service to national unity and econom-

ic well-being, particularly to small businessmen whom the government supported strongly in the recent Speech from the Throne, can the government indicate what steps it is taking to resolve the current confrontation with union officials and continue an efficiently operating postal service?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member states a desirable objective. I am sure it is the objective toward which the minister is working.

THREATENED STRIKE—REASON FOR BREAKING OFF NEGOTIATIONS—PARTICIPATION OF TREASURY BOARD OFFICIALS IN EFFORTS TO SETTLE

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. In view of the importance of the President of the Treasury Board in these negotiations, and since one of the problems with the postal service is the divided responsibility in negotiations, can the President of the Treasury Board say if he is involved in current negotiations and, in particular, what steps he or his officials are taking to assure that the talks which have now been cancelled on the basis of the unacceptable demand of union officials, as a press release puts it, will resume? How is that problem being resolved? What unacceptable demand has been made?

Hon. Robert K. Andras (President of Treasury Board): Mr. Speaker, I and my officials have been closely involved. There has been an extremely co-operative effort involving myself, the Postmaster General, officials of the post office and Treasury Board. Indeed, a series of encouraging and productive discussions has taken place during the last few days, including the weekend. We felt some progress was being made. I think that feeling was shared by the Post Office union people. The demand that broke off the talks was that all sanctions and disciplinary action planned against the people who took part in the illegal work stoppage a week or two ago should be cancelled. That was not a matter about which we were prepared to bargain.

Mr. Dinsdale: A further supplementary question, Mr. Speaker. Am I to understand from the remarks of the Prime Minister and the President of the Treasury Board that the talks have been resumed and negotiations are going on in the interest of a peaceful settlement, without a return to rotating strikes?

Mr. Andras: Mr. Speaker, talks had been resumed but broke off yesterday after the request made by the president of CUPW along the lines I just indicated. They have not been resumed since yesterday, although Post Office officials and Treasury Board people are prepared to return to the discussions at any time.

[Mr. Dinsdale.]

INDUSTRY

CANADAIR PROPOSAL FOR LEAR JETS—REQUEST FOR TABLING LEE POOR REPORT—GOVERNMENT POSITION

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce whom I would like to congratulate on his new portfolio. Can the minister assure the House that he does not intend to ask the government to advance $150 million to $200 million of taxpayers' money to Canadair as front money for the Lear jet proposition?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, we took no decision yet concerning this proposition which seems extremely interesting and which does not require direct financial intervention by the government. We are now considering it and as soon as we have some information on this matter we will give it to the House.

[*English*]

Mr. McKinnon: If the cabinet is soft-headed enough to approve this funding, can the minister assure the House that he will, first, bring forward supplementary estimates for debate to cover the provision of the funds, and, second, will he now table the Lee Poor consultative report which was commissioned by the government and which is understood to be firmly against this whole deal?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I did not say that we were committed; I said that we were now considering the proposition and that I did not believe that direct financial intervention by the government was required for the moment. As regards the report mentioned by the hon. member, I will get some information. In any event, we will seriously consider all alternatives before taking any decision.

* * *

[*English*]

CONSUMER AFFAIRS

STANDARDS FOR RUST-PROOFING OF MOTOR VEHICLES—GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. I would like to congratulate him on following his distinguished father, a former Minister of Finance, into the federal cabinet.

Some hon. Members: Hear, hear!

Mr. Hees: My question is this. Is it the intention of the government to introduce immediately standards of rust-proofing to be met in the manufacture of all cars and other vehicles sold in Canada, so that in future the purchasers of these vehicles will not be subjected to the fraud which has been the case in recent years when people have bought vehicles in good

faith only to see them go to pieces in a very short period of time?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the point of the remarks of the hon. member. As to the question he raises, I cannot agree that there is the sort of misleading attitude on the part of Canadian manufacturers that he suggests. The question of rust is one which has been very much in the news lately.

Mr. Paproski: Especially in the Liberal party.

Mr. Abbott: The safety branch of the Department of Transport has been actively engaged in reviewing accidents resulting from cars that are defective. As well, my department is constantly reviewing the matter of misleading advertising. The North American market for vehicles is so closely integrated that I think it important for the hon. member to realize we must take a broader view of this question than simply the one he suggests.

Mr. Hees: Mr. Speaker, I regret to say that, judging by the minister's answer, he is obviously not going to deal with matters in the same straightforward manner that his father used to do.

Some hon. Members: Hear, hear!

Mr. Hees: I simply say to the minister that I can demonstrate to him very clearly by an actual example that if rustproofing is properly applied, cars do not rust and thereby become destroyed. In this case, will the minister get on with the job, cut down on the delays the government always seems to encounter in meeting matters of this importance, and get after the problem as though he were a businessman rather than a bureaucrat?

• (1130)

Mr. Abbott: I recognize that the hon. member's history in this House ranges back almost to the Fathers of Confederation. He is able to compare answers to all sorts of questions but the fact is that in giving a straightforward answer we cannot determine by virtue simply of the evidence presented in this House what happens to cars when salt is used on the roads without taking a fair attitude to the cost involved in completely rustproofing automobiles. What I am trying to say, in as direct a fashion as I can is that we have taken action through my predecessor and been of great assistance to people concerned over a rust problem which involved Ford cars. We are holding additional discussions, and I can assure the hon. member all the automobile companies are anxious to co-operate with us. I feel certain he can rest assured we are watching this situation very carefully.

Oral Questions

ANTI-INFLATION BOARD

SUGGESTION BOARD PUBLICIZE NAMES OF COMPANIES FOUND TO HAVE EXCESS REVENUE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Will he take immediate steps to ensure that the Anti-Inflation Board will begin without further delay not only naming all those companies found to have excess revenue, and the amount of such revenue, but also that the board will inform Canadian consumers of the names of products whose prices have been rolled back by those companies in order to get rid of excess revenue? I include in this all roll-backs which have already taken place and about which the consumer and the public at large have not yet been informed.

Hon. Donald S. Macdonald (Minister of Finance): I would remind the hon. gentleman that in this regard the board is governed by a statute which was passed by this parliament. Subject to the provisions of the law, the chairman of the board has initiatives under way which we expect will result in publicity of the kind the hon. member has in mind.

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PUBLISHING

EFFECT ON ADVERTISING REVENUE OF AGREEMENT WITH THE UNITED STATES ON DELETION OF COMMERCIALS FROM CABLE TELEVISION

Mr. Cyril Symes (Sault Ste. Marie): My question is to the Secretary of State; I wish him well in his new post. Bearing in mind the belief by Canadian broadcasters and the CRTC that only a combination of Bill C-58, which is now law, and random deletion from cable TV of commercials placed in the United States will ensure that Canadian advertizing revenues stay in Canada, can the minister explain how accepting the U.S. government's request to end commercial deletion in return for ending their objection to the provisions of C-58 will support the government's policy to assist Canadian broadcasters?

Hon. John Roberts (Secretary of State): Thank you, Mr. Speaker. I appreciate the kind welcome extended to me by the hon. member. The question he poses is a hypothetical one and as such I do not think it should be answered at this time.

Mr. Symes: I hope the minister can give an assurance now that this request, one which we heard the Secretary of State for External Affairs talk about the other day, will not be acceded to. Is the government confident there is no loophole in the Act, specifically in section 19, which permits advertizing tax reduction on repeated one-year contracts with U.S. border television stations?

Mr. Speaker: Order. I have the distinct impression that the question seeks a legal opinion from the minister.

Oral Questions

HARBOURS

ALLEGED REDUCTION IN TIME FOR IMPLEMENTING NEW POLICY—DATE OF INTRODUCTION OF LEGISLATION

Mr. R. Gordon L. Fairweather (Fundy-Royal): A question for the Minister of Transport, Mr. Speaker. Has the lead time for implementing a new harbours policy been cut from some 15 months to six months? When will the necessary legislative authority be sought from parliament?

Hon. Otto E. Lang (Minister of Transport): We hope to introduce legislation at an early date. Until then, use is being made of the lead time in the sense that steps toward implementation, as far as this is possible ahead of the legislation, are being taken. I would point out that there is likely to be a fairly long period before all the steps necessary to rearrange the accounting and other responsibilities can be completed.

Mr. Fairweather: Why is the plan under way before legislative authority has been received? Surely, the minister would agree that this amounts to contempt of parliament.

Mr. Lang: No, Mr. Speaker. I say this because the things which are now being done are being done under authority which presently exists. There is nothing in the law which prevents us from moving, for instance, toward the establishment of local executive committees to assist port management. While these committees may look like forerunners of the port authorities contemplated in the legislation and while they may begin to do their work and in this way begin the implementation of the policy, I do not think we need to await the legislation in order to make those moves which are possible under existing legislation. We shall need the legislation because many things which will fit together well in the whole operation require legislative change.

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LABOUR CONDITIONS

STRIKE OF CANADIAN PRESS EMPLOYEES—GOVERNMENT EFFORT TO SETTLE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Labour and it arises out of a question asked on Friday by the hon. member for Cape Breton-The Sydneys in connection with the strike of 275 Canadian Press journalists. Can he tell us whether as a result of the consideration given by his department as to the reasons for this strike the government does not agree that the claims of these journalists are both reasonable and responsible and that something must be done by his department to bring an end to a situation which has become intolerable to these employees and to active journalists?

Hon. John C. Munro (Minister of Labour): I conclude from the remarks of the right hon. gentleman that we have his support in our efforts to get this unfortunate strike settled. We are doing everything we possibly can to settle it. For me to comment on the merits would not be particularly helpful in obtaining settlement, although I may have something to say about that personally at a later time.

Mr. Diefenbaker: It is later than you think!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Why cannot the minister answer that very simple question—why his department, in dealing with this problem and in meeting with the executive of the publishers and the representatives of labour, has not stated definitely that the claims of the employees are reasonable and responsible? Why is the minister so uncertain, so willing to discuss a matter some time in the future, bearing in mind that the time for action is now, after almost a year's delay during which a contract has not been arrived at?

Mr. Munro (Hamilton East): I appreciate the heroics the right hon. gentleman is getting into now—

Mr. Diefenbaker: I want the truth, not evasion!

Mr. Munro (Hamilton East): It may very well be that we have expressed our views. It may very well be that we have the strength of our convictions, too, but as most people in this House know, when one is trying to mediate a settlement it is not in the best interests of the employees and their families to go in for heroics.

Mr. Diefenbaker: That accusation by the minister deserves an answer.

Some hon. Members: Question!

Mr. Diefenbaker: Speaking of heroics, there is such a thing as cowardice.

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STATISTICS CANADA

ALLEGED BREACHES OF CONFIDENTIALITY BY EMPLOYEES—GOVERNMENT POSITION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce and it is further to my questions of October 14 involving Statistics Canada. Is the minister now entirely satisfied that there have been in recent years no breaches of confidentiality with reference to any data pertaining to community development or planning and that such data, not available to the general public, has never been improperly transmitted or sold to persons or companies whose position would be improved by its acquisition?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have no information to the effect that documents which were to be kept confidential by the commission were released to the public. I am to meet the chairman,

Mr. Kirkham, this afternoon and shall inquire into the matter and, if indicated, shall report to the House as soon as possible.

[*English*]

NUMBER OF EMPLOYEES DISCIPLINED FOR ALLEGED BREACHES OF CONFIDENTIALITY—POSSIBILITY OF BENEFITS FROM SUCH BREACHES

Mr. Elmer M. MacKay (Central Nova): I wish to thank the minister for his answer, Mr. Speaker. Would he inquire when he meets with Dr. Kirkham how many Statistics Canada employees have been disciplined in one way or another because of commercial or extra-curricular activities which were in breach of conflict of interest guidelines and whether there have been any organizations made up of Statistics Canada employees or close relatives formed directly or indirectly for the purpose of dealing with consultants or other persons interested in obtaining the type of information which would benefit them and which is not available to the general public?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member knows me: if there are people who act that way, that is who use their positions and the confidential reports they receive for personal benefit, they will have to find a job elsewhere.

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[*English*]

NATIONAL DEFENCE

POSSIBLE CHANGES IN STRUCTURE OF FORCES—REQUEST FOR STATEMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is intended for the Acting Minister of National Defence and it follows the lengthy questioning of the former minister of defence with regard to the changes in the infrastructure and in the relocation of the Armed Forces of Canada. Is the minister in a position to tell us at what point are those considerations? Is the plan before cabinet or is it back in the department? Would he say something to put an end to the great number of speculative stories which have caused a great deal of unrest in the armed services as a result of the possible changes.

● (1140)

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, the problem is before me and I am dealing with it now. I hope that an announcement will be made in the very near future.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. May I have some elucidation as to what the minister means by "the very near future", other than simply "sooner than later"?

Mr. Danson: Sooner than later, Mr. Speaker.

SEARCH AND RESCUE

DATE OF REPORT OF TASK FORCE—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Transport. In April the minister promised that the report of the departmental task force on search and rescue would be reporting to him by midsummer. My question is: Has the task force reported to the minister and what action has the minister taken on the recommendation of that task force? I can assure the minister that this is a most urgent matter.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the task force did report and the government has been giving full consideration to all the issues raised in it. The fiscal decisions that are required are taking place these days and the results in terms of announcements, improved equipment and location of equipment, will be following soon.

DEPARTMENT RESPONSIBLE FOR OPERATION—DELIVERY OF EQUIPMENT NECESSARY TO PATROL 200-MILE LIMIT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): A supplementary question, Mr. Speaker. The minister did promise earlier that he would be tabling the report. When will he be tabling the report, and will the minister give us some information as to who will be co-ordinating the efforts of air search and rescue, whether it will be the Coast Guard or the Department of National Defence? How soon can we expect the extra hardware that will be required if the 200-mile limit goes into effect on January 1?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, that may all be part of the same announcement.

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EXTERNAL AFFAIRS

MEETING WITH MR. KISSINGER ON DELETION OF COMMERCIALS FROM CABLE TELEVISION—REQUEST FOR REPORT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In regard to reports concerning his meeting in Washington with Mr. Kissinger, it was reported that there was room for compromise. I should like to ask the minister whether that is with regard to cable commercial deletions, and where is the compromise? There either is deletion or there is not deletion. Was there a firm proposal from Secretary Kissinger or was there a firm proposal advanced by the minister? What is the status of the situation and what communication was there with the Minister of Communications before this statement was made?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): First of all, Mr. Speaker, the reference was exclusively to the commercial deletion aspect of the package. There were three or four separate proposals, not made to me directly

but made previously during the meeting of officials prior to my meeting with the secretary, and I undertook to bring those back. It did seem to me in our discussions that there was room for looking at these alternatives or these options. They are being examined in Ottawa today and there will be a further meeting of the officials subsequent to that examination, but I do not know quite when. I did say that it would be within two weeks.

Mr. Nowlan: A supplementary question, Mr. Speaker. I thank the minister for his answer, but in these discussions is the chairman of the CRTC or officials of the CRTC involved; and who is going to make the announcement, the Secretary of State for External Affairs, the Minister of Communications, or the chairman of the CRTC?

Mr. Jamieson: Mr. Speaker, the hon. member has identified one of the complications in this issue. My own view is that the CRTC is an autonomous, governing body in this matter, and therefore has clearly been involved in the discussions, so should have a large input into whatever resolution is found. Whether or not, because it does involve international relations, the government should also take a position, perhaps in concert with the CRTC or otherwise, is in fact one of the difficulties we are now trying to work out. As for who will make the announcement, I have no knowledge at the moment how that is likely to be done, but thinking about it immediately I would suspect it would be the CRTC.

Mr. Speaker: The hon. member for Lisgar on a supplementary.

GARRISON DIVERSION—REQUEST FOR REPORT ON DISCUSSIONS WITH MR. KISSINGER

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs in relation to his trip to Washington during which he discussed various subjects with Henry Kissinger. I should like to ask the minister whether or not the topic of the Garrison diversion project in North Dakota came up in his talks with the Secretary of State; and if it did, would the minister inform the House as to the outcome of those discussions?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it did not come up in any detailed way because it was one of those subjects that had been discussed in great detail by officials and, of course, by the IJC, so for that reason there was no necessity for us to spend a good deal of time on it during the meeting on Friday. However, I did repeat Canada's concerns on the matter and the secretary undertook to bear those in mind as developments proceed.

GARRISON DIVERSION—DISCUSSIONS WITH UNITED STATES—NEED FOR STRONGER GOVERNMENT ACTION

Mr. Jack Murta (Lisgar): A further supplementary to the minister, Mr. Speaker. I should like to ask the minister what his department intends to do over the situation that has developed whereby the International Joint Commission's report will be some seven to eight months late. Construction of the dam is going ahead almost as scheduled without any appreciable slowdown in construction. Certainly there is a great amount of fear in Manitoba—and there should be fear within the minister's department—that the diplomatic overtures he has been making have not been good enough and that a more positive approach will have to be taken with the President of the United States and also with Henry Kissinger himself.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Well, Mr. Speaker, I can only tell the hon. member at this time that I will be meeting with the IJC some time this week. I am perfectly well aware of the circumstances that he has outlined. I am not any the less concerned about them than he is, but I feel at the moment that the negotiations are best dealt with in the manner in which we are proceeding without any further declaration on our part.

Mr. Speaker: Order. Just to keep the record straight I think all hon. members would want to know that those questions were not really supplementary to the others. However, the hon. member for Lisgar was due to get the floor anyway.

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AGRICULTURE

STABILIZATION PROGRAM FOR COW-CALF PRODUCERS—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Agriculture. Since the federal government has not acted on his stabilization program for the cow-calf producers in this country and the western provinces have had to act, is it the minister's intention to announce a program based on full cost of production, or does he intend just to go around the country making speeches about how difficult the matter is?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, by law we have to announce a price for finished beef by the end of the year. We will announce a stabilization program for finished beef by the end of the year.

STABILIZATION PROGRAM FOR COW-CALF PRODUCERS—REQUEST FOR PLEBISCITE

Mr. Lorne Nystrom (Yorkton-Melville): A supplementary question, Mr. Speaker. Would the minister listen to the pleas of the small cattle producers of this country and hold a plebiscite on a national marketing plan, since he supports marketing boards, or will the minister in this case continue to be dictated to by the Canadian Cattlemen's Association?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Canadian Cattlemen's Association would have some reservations about believing what the hon. member says to be the fact, that I am dictated to by them. If I did

everything that they said, first of all I would do nothing for the beef farmers, if I were to follow the advice they gave several months ago; and if I followed their advice now, I would do many different things for the beef producers.

Mr. Nystrom: A final supplementary question, Mr. Speaker. I would like the minister to answer my question and to cut out all the bull. Will he or will he not listen to the pleas of the small producer and hold a plebiscite on a national marketing plan.

Mr. Whelan: Mr. Speaker, the hon. member knows that although some provinces force certain kinds of marketing legislation boards on the producers, this minister and this government is not going to force anything on them. If they want that type of thing there is an avenue that they can follow. If this House feels so strongly about it, there is national farm marketing legislation for the beef producers if they want it. All this House has to do is to act on their behalf.

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THE MINISTRY

INQUIRY AS TO REPRESENTATION FROM MANITOBA

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Prime Minister. Would the right hon. Prime Minister indicate what steps he has taken to provide for representation from Manitoba in the cabinet?

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EXTERNAL AFFAIRS

INCARCERATION OF SHARON BETHUNE IN MEXICO—GOVERNMENT ACTION

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Secretary of State for External Affairs of which I have given him notice. It involves a young girl by the name of Sharon Lynn Bethune who has been held in a Mexican jail for over eight months and not been charged as yet. Would the minister tell us what steps this government has taken to make sure that this young lady is released and sent back to Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I genuinely apologize to the hon. member. If he did give me notice, it does not appear in my notes for today. If he would not mind, I should like to reserve my answer until tomorrow.

• (1150)

AGRICULTURE

SUPPLY-MANAGEMENT PROGRAM FOR BEEF PRODUCERS—GOVERNMENT POSITION

Mr. Peter Elzinga (Pembina): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the minister's repeated reference to supply-management programs as being the solution to Canada's beef industry problems, is it the minister's wish to develop a supply-management program for Canada's beef industry, and would the minister be kind enough to answer simply yes or no.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is obvious that the beef industry needs a supply-management program. It is obvious these producers cannot deal in the world free market under the present conditions and exist. The United States of America saw fit to try to impose supply-management programs on other countries, over 15 of them, which supply that country with beef. So if you think the beef producers can exist without that kind of program, explain it.

Mr. Elzinga: Mr. Speaker, my supplementary is again to the Minister of Agriculture. Am I to understand from the answer he just gave that the minister is stating he wishes to introduce a supply-management program for the beef industry?

Mr. Whelan: Not unless the beef producers of Canada want it.

BEEF—LEVEL OF UNITED STATES QUOTA FOR CANADIAN PRODUCT

Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, my question is for the Minister of Agriculture. In view of the global quotas placed by President Ford on beef imports into the United States and the minister's indication last week that he hoped the quotas placed on Canada would not reduce our exports to the United States below the 90 million pound level indicated by Canada, I wonder if the minister can indicate what success the Canadian representations had in Washington last week, and if he knows whether our exports to the United States will be reduced below the 90 million pounds.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the Government of the United States of America has not made an official announcement on what our quota is going to be. We do not know. We think it will be announced later today. I can say I think I am not optimistic that it will be 90 million pounds.

Oral Questions

ENERGY

APPLICATION OF NOVA SCOTIA POWER COMMISSION FOR RATE INCREASES—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question arising from a response from the Minister of Energy, Mines and Resources to one of our colleagues from Atlantic Canada last week having to do with the energy situation. The Board of Public Utilities of the province of Nova Scotia commenced hearings today on the application of the Nova Scotia Power Corporation for what can be described only as exorbitant and intolerable rate increases. Can the minister indicate to the House whether or not his departmental officials are in fact monitoring those hearings and, if not, would the minister give consideration to having officials at least sit in and hear the evidence as it comes forth this week on this matter?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we will make it our business to monitor those hearings.

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ANTI-INFLATION ACT

POSSIBILITY OF AMENDMENT TO REQUIRE BOARD TO PUBLICIZE RULINGS MADE AGAINST COMPANIES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is for the Minister of Finance and is further to the question asked by the hon. member for Windsor West in which he was drawing the minister's attention to the habit of non-disclosure in respect of price rulings coming from the AIB. As there is increasing resentment among Canadians that these rulings are being kept confidential, I am wondering whether the minister would indicate if he intends to amend the Anti-Inflation Act so that there is no question in the future that these disclosures will be required, not only the rulings but also the impact on the companies or persons concerned.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would be quite prepared to consider such an amendment, which of course would disclose the position of some companies in a competitive situation but not others. I hope the various companies to whom the Chairman of the Anti-Inflation Board will be directing his inquiries might bear that in mind; that is, that there is a feeling in the House represented by the official opposition, and indeed on this side of the House, that this information should be made public, so it might be advisable to do it by consent rather than by parliamentary requirement.

DATE OF TERMINATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, this question again is directed to the Minister of Finance. Referring to the suggestion that Bill C-73 may in fact be amended, would the minister go further and indicate if he intends to make any other amendments to the present Anti-Inflation Act and, in particular, will he take up the undertaking given the House last Wednesday by the Prime Minister that the termination of that act will be definitively set at December 31, 1978, not representing so far as our side is concerned that we want it to run that long but we would at least like to see some definite termination to the act.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it may well be that I will be coming forward during the course of the session with an amendment with regard to an association bargaining situation and there may indeed be other situations where for the better operation of the anti-inflation program amendments will be required. In respect of the termination date, I think I should refer the hon. gentleman back to the statute again and the termination provisions which would of course require parliamentary approval before it could be extended beyond the specified termination date.

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CANADIAN PACIFIC RAILWAY

WITHDRAWAL OF HOPPER CAR SERVICE—GOVERNMENT ACTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the action of the Canadian Pacific Railway in withdrawing hopper car service from all branch lines in Saskatchewan, and I believe as well in the province of Alberta, and in view of the fact that this withdrawal has caused a loss, particularly for those producers who deliver barley in carload lots and has the effect of reducing the volume of grain on the CPR lines as opposed to the CNR lines which are utilizing hopper cars, can the minister advise what steps he has taken to ensure that the CPR will re-instate hopper car service on its branch lines.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I was not aware of any general withdrawal. There may be specific cases where weight problems lead to a change, but I will certainly look into the situation to determine what are the apparent reasons behind any withdrawal.

* * *

CUSTOMS

REASON FOR DELAYED CLEARANCE OF MEMBERS OF PRINCESS PATRICIA'S LIGHT INFANTRY AT WINNIPEG

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In light of the very thorough and harsh customs clearance 155 members of the Princess Patricia's Canadian Light Infantry were subjected to in Winnipeg last week after having already been precleared by customs overseas, has the minister had an opportunity to investigate this matter and, if she has not, will she do so. Also I should like to remind the

minister that the families and friends of the servicemen had been waiting for their return for six months and were subjected to a two-hour wait at the depot also.

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, hon. members know that the inspection of our national defence aircraft in Lahr is generally carried out by Department of National Revenue customs officers posted in Germany. It was the case for the aircraft concerned. However, according to the practice in my department, we made a countercheck of this aircraft. We had to reexamine all the hand luggage of the 155 travellers, which took four hours. This was done for the security of the travellers and for compliance with the laws of the Canadian government, something which the hon. member cannot be opposed to. Moreover, two closer checks of two travellers were required because of fairly serious problems.

[*English*]

Mr. McKenzie: I have one supplementary question, Mr. Speaker. Is it the routine practice of customs to put members of the Canadian Armed Forces through such vigorous customs checks after having been pre-cleared and, in the case of the Winnipeg incident, was there any contraband found that would justify the search?

Miss Bégin: Two switchblades, I gather, Mr. Speaker, are sufficient to justify the search.

* * *

● (1200)

LABOUR CONDITIONS

DATE OF TABLING HALL REPORT ON RAILWAY PENSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. It being understood that Dr. Noel Hall has submitted his report on railway pensions to the minister, a report which I believe is now being translated, can the minister say when he will be tabling this important document?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, the hon. member is quite right. We have it now. It is fairly voluminous, so the translation is taking quite a long time, but after the long wait it will be ready in a couple of weeks.

ROUTINE PROCEEDINGS

[*Translation*]

THE MINISTRY

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND MINISTER OF NATIONAL DEFENCE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2), I ask leave to table a copy of the correspondence between the former minister of national defence and myself. This correspondence has been asked for by the Leader of the Official Opposition. I sent my letter last Friday; unfortunately it has not yet been translated but, with the leave of the House, I am going to table both copies in English.

[*English*]

Mr. Speaker: It is so ordered.

* * *

PUBLIC SERVICE

TABLING OF DOCUMENT CONCERNING PENSIONS

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, under the provisions of Standing Order 41(2) I should like to table in both official languages a document entitled "Basic Facts about Pensions in the Public Service of Canada".

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Friday, October 15, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Clark (p. 28).

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, it is with pleasure that I join in the debate on the Speech from the Throne to speak about some issues which I believe to be of national importance and some which are of importance in my riding of Peel-Dufferin-Simcoe.

First, I should like to congratulate the Prime Minister (Mr. Trudeau) and the government on the Speech from the Throne. I thought it was a speech that referred to the many issues and concerns which constituents in my riding raised with me during the summer recess. I applaud the intention of the government to bring in legislation to deal with these concerns.

First and foremost, of course, is the concern about national unity. I was particularly pleased to see it set out not only as the first priority in the Speech from the Throne but also to see that the program will be maintained in its present form and extend-

ed even further. I am raising a question which surely many people are worried about, that is: Where has all our understanding on this question gone? Canada has been known all over the world ever since its beginning for its tolerance and for the way in which various groups in Canada have been able to get along together. I am alarmed, as I am sure is every member of the House and surely all responsible Canadians, at the harsh attitude being adopted by so many people at this time.

There are two or three points which I should like to raise at this time. I really do not understand—and I would like to be enlightened on this—why everyone seems to feel that it is only the federal government which has the responsibility for maintaining national unity and, in particular, why the Prime Minister should be the only person in Canada concerned about national unity and having responsibility for doing something about it. Surely, this is an issue that is the concern of everyone elected to the House, to the provincial legislatures or to municipal school boards—indeed, the concern of every Canadian.

I want to support very strongly the statement in the Speech from the Throne that institutional bilingualism will be continued with some sensitivity to its administration, that problems connected with it will be considered and that perhaps a different approach will be taken to the administration of the program. I think it is a natural progression of the original policy for us to speak at this time to provincial governments, provincial premiers and provincial ministers of education about introducing this program to the educational systems over which the provinces have jurisdiction. Judging from a widespread expression of opinion on this matter by many people, I believe it is generally agreed that this is how this problem should be handled. I hope people are not saying that this matter should be put off for another period of time so that we will not have to deal with it. I hope that all parents, school boards and departments of education see this clearly as a major responsibility and take it seriously, and that this policy will be implemented as quickly and effectively as possible. I really believe there will be two important results from this. First of all, graduates of the school systems will have a much better knowledge of both official languages than is the case at present, and, what is even more important, they will have a better understanding and a greater tolerance of their fellow Canadians than they do now.

I think that this country cannot stand much more of the type of conflict that has been experienced in the past year or so. Really, the Anglophones and Francophones will have to approach this issue with a fundamentally different attitude and a much better understanding of each other's position on this. One of the real problems is the acceptance of change, an understanding of the dynamics of change and how it comes about. An example of this lack of understanding was the recent air traffic controllers' controversy in which extremists on both sides did nothing to solve the problem but in fact made it worse. This matter has been referred to many times in detail. This time I want to touch on it briefly. I could not understand

[Mr. Milne.]

the position of the Anglophones who are opposed to even having a feasibility study done in this matter, no more than I could understand the most vocal people on the other side who thought this should be a question of policy without any prior study being carried out of the feasibility of such a policy or any prior undertaking to explain to the rest of Canada why it is so important.

In raising this issue I wish to say that I represent many Air Canada employees and I believe that the best way of solving this issue is to undertake a study to look at the whole matter from a logical point of view, airport by airport, and to examine such matters as density and mix of traffic, sophistication of control tower equipment, as well as many other such issues, and based on this study to come up with a policy decision.

During the last summer I spoke to many of my constituents on the matter of bilingualism and I am concerned about how poorly the Official Languages Act is understood. Many people raised this issue in the context of "shoving French down my throat", but when the policy was explained to the same people they agreed that it was entirely reasonable. It seems to me that one of the fundamental things that the government, that we as supporters of the government, and that all members of the House should do, because this policy was supported by each and every party, is to go out in the country and reassure the people regarding the Official Languages Act and explain it to them. I believe that once it is explained to them, acceptance of it will be widespread. I believe that the problem at present is the misconception of the policy. Surely, we have the responsibility to explain the Act and the policy.

I would be pleased if the government would also take a look at the implementation of the bilingualism program in the Crown corporations. I have been told that there is not much opportunity for language training in either of the official languages for employees of Crown corporations who wish to learn the other language to advance their careers. One of the concerns they have relates to the method of selecting people. People who do not have the capability in a second language have no opportunity to gain a standing in the other language. That is a situation which bears consideration, and I hope that in terms of the administration of the Official Languages Act the government will do so.

• (1210)

Any partnership, whether it is a business relationship or whatever, is really based on three things. It is based on understanding of the other person's point of view; it most certainly has to be based on an adjustment to that other person's point of view; and most important, it must be based on a very high level of communication. If anything should happen in Canada, there should be a greatly increased understanding of the hopes, aspirations and rights of other people, some adjustment in everyone's point of view to accommodate those things and certainly a good deal of communication between various language groups to make sure that the concerns of both sides are well understood.

During the summer the Olympic Games took place and the Queen was here to open them. During her stay she spoke at a banquet, and I thought that she stated the situation with regard to the language problem better than I had heard it stated before. I should like to review three simple statements she made which I thought were very important, and I quote from her remarks of July 24 as follows:

> There can be mutual enrichment only if each group has a secure and vital cultural life of its own to share with the other. It is important, therefore, for both French speaking and English speaking Canadians to maintain the integrity of their own language and culture.
>
> How Canada resolves her political and constitutional differences is her own affair, but how she resolves her linguistic and cultural problems matters to thoughtful people everywhere.
>
> The world, all too familiar with the tragic price of conflict between peoples of different race, language, religion and culture, can look to Canada for a better example and for a renewal of the human spirit. It can look to her for a practical demonstration of how two strong communities can live together in peace, drawing from each other's strengths, respecting each other's differences.
>
> That is why your words, Prime Minister, about the growing mutual awareness, curiosity and respect among French speaking and English speaking Canadians, bear a message of great hope for both Canada and the world at large.

Her Majesty's remarks were well received by all Canadians who heard them, and those who did not have the opportunity to hear them should review her remarks because what she was saying was that resolving this problem is one of the fundamental things which has to be done if we are to survive as a strong and united country.

I would like to comment briefly on one particular aspect of the economy, but first I want to congratulate the Minister of Finance (Mr. Macdonald). I think Canada is fortunate to have a minister of his capability. He is one of the more courageous Canadians, one of the fairest and one of the most consistent. All the way through this difficult period in the economy he has demonstrated the type of leadership which is important to Canada and which will correct some of the economic problems we have. His actions have not always been the most popular, and he has not always taken the easiest stances, but I think they have been the correct ones.

I have been a strong supporter of the guidelines. However, I have one concern. I hope that if there is to be further revision of the program, it will be in the area of rewarding productivity or highlighting it as one of the major forces in the economy.

Many people have spoken and have used many facts and figures to support their view of the situation we face with regard to exports as well as the ability to compete inside Canada with people exporting to Canada. We have some real problems, and many of them could be solved by attaching more importance to productivity. The word "productivity" does not seem to have captured the interest or attention of organized labour or management. As I listen to various groups talk about it, management seems to be saying only that we should have a lower wage scale in Canada, and labour seems to be saying that it should have a larger share of the national economy. It seems to me that the aims of both could be realized by seriously striving for greater productivity. That is what is needed for us to remain strong in the years ahead in terms of having a viable manufacturing sector, particularly that part of it which is related to our export market.

The Speech from the Throne announced an intention to set up a collective bargaining information centre. I hope it will deal not just with compensation, the relationship of various groups and the broad economic conditions under which we operate but that it will also address itself sincerely to the question of productivity. Surely, emphasizing productivity in Canada at the present time is very important, and such things as workers' councils should be taken seriously because many people working in plants have some very good ideas as to how productivity could be improved.

There is another aspect which is equally important. No matter where we go we hear the statement that no one wants to work anymore. Quite often the people who are making that statement are having expense account lunches or drinks. If that statement is true, it is certainly true on the side of management as well as on the side of labour. This country needs to go back to a very aggressive marketing stance and a very aggressive industrial design position. We have had a few years of extraordinarily good times, and both labour and management have benefitted tremendously. Now, we have to realize that times are not as easy, and we have to go back to some of the fundamentals which enable companies to achieve success; that is, through high productivity, through good industrial design and through extremely strenuous efforts in marketing. This is particularly true in Canada where we depend so much on export markets for the well-being of our economy.

Compared with countries such as Japan, France, and strangely enough, Britain, our productivity is lagging. I understand that our productivity increase last year was in the order of 2 per cent compared with 6 per cent in Japan, 5 per cent in France and 3 per cent in Britain. We really must do something about that. I do not quite know why the measuring of productivity, which has been encouraged and used for many years in many European countries, has not really caught on in North America, and particularly in Canada. I suppose it has been a factor in the auto industry for a few years, but apart from that, it has not been a major consideration in collective bargaining. I hope in the future that both management and labour will see some of the perils which are down the road, because of the high return for labour and the lack of a superlative effort in marketing. I hope they will see where that will lead us. We should pause and look at productivity and effective bargaining. Perhaps the benefits of increased productivity could be shared between employees and employer and not, as in the past, go only to the employer.

● (1220)

I should like to make a few comments on agriculture, Mr. Speaker. I have said a number of times in this House that one of the fundamental objectives of this government should be that we be essentially self-sufficient in food. It may seem strange that I raise this issue at a time when we have a surplus of milk powder and are not short of beef cattle or other commodities, but there are one or two things that I should like

to raise in a general way. The minister might like to give some thought to them.

I am concerned about our future inventory of farmers, Mr. Speaker. I understand that the average age of our farmers is over 55 years. There has been a tremendous increase in productivity in the last five or six years as the old concept of small family farms gave way to larger family farms which use larger equipment than has ever been used in eastern Canada. Fewer farmers are doing more farming, but how long can that be sustained unless young people become farmers? Through provisions of the capital gains tax this government was able to be of tremendous assistance to farmers in that they could keep a farm in production without attracting capital gains tax after the death of the owner.

Mr. Mazankowski: Who introduced capital gains tax in the first instance?

Mr. Milne: Mr. Speaker, I think it is a fair taxation measure and I should like to discuss its application to incorporated farms.

Through extension programs many provincial governments counselled farmers to incorporate and now, having done so, they find themselves on the wrong side of the proposition when it comes to capital gains tax at the time of the death of the owner. The difficulty is that most incorporated farms have associated with them some type of processing facility or trucking business, for example; generally speaking, such an operation is more than just an ordinary farm. I would argue the case that the land portion of an incorporated farm should have the same provision in the Income Tax Act applied to it as a non-incorporated farm when it comes to the capital gains tax. I do not argue that the associated business of the farm should escape capital gains tax; if that were so it would be logical for the small business to ask for the same extension.

I think if our national objective is to have an inventory of farmers and to keep ourselves self-sufficient in food, we should consider exempting the land portion of the incorporated farm from capital gains tax. The value of land, particularly in Ontario and I suppose the same situation exists around large metropolitan areas in other provinces, has always been high. It used to be, however, that while land on the periphery of metropolitan and urban areas was very costly, about 150 miles or 200 miles away land was substantially cheaper. A farmer could sell property near a large urban area and re-establish himself or his family in agriculture some distance away. That has changed and land some distance from urban areas has increased in price.

I think this is another case which should cause us to look again at the capital gains tax and consider whether money realized from the sale of land, which is reinvested in land for agricultural purposes at some other location but for the same farm family, could not also escape this tax. Sometimes when a farmer sells land near an urban area on which he may have a long term mortgage, by the time he has purchased another farm and has renovated it so that it is comparable to with the one he sold, he ends up with a substantial debt. Many farm families decide it is just not worth while and, as a result, the children do not stay in farming. I am not sure we can afford this loss, Mr. Speaker.

There are two other aspects of agriculture that I should like to mention at this time. The first is marketing boards. I am sure there are not many members in this House who support organized marketing more strongly than I do. I spent a number of years in rural extension work and I saw many poultry farmers go from boom to bust, back and forth. I saw many farmers lose their farms to feed companies because of the real relationship of what was being produced to what the market could bear. I strongly supported the concept of marketing boards because I thought at that time, as I am sure most people did, that it was right and proper that they should be producer boards. But in some areas, I think we should look carefully at the marketing board concept and make sure the board is representative of the entire industry.

The proposed national chicken marketing agency for broiler chickens would protect the producer as well as the integrated supplier in terms of feed, hatchery and processing. A loss in one segment could be offset by profits in other segments, but I would argue the case for the independent processor who seems to be left out of the plan. At the present time it seems he is the only one who is taking any real risk and he has no protection whatsoever. I can see the danger that he might disappear from chicken broiler farming, and I should like to be on record as being in favour of processors as well as producers having a role in the marketing concept.

During question period today the inquiries were predominantly related to the beef industry and meat coming into this country. There are two distinct trends evident in our society today. When you drive around the cities, the growth of the fast food outlet, and the tremendous increase in the number of steak houses is evident. I do not know why our beef industry does not gear itself to produce more for this market. I have been told that most of these steak houses want imported beef because of consistent quality and taste, and that the fast food outlets want it because we do not produce enough of the type used. Surely, the Canadian Cattlemen's Association could analyse the market trends and supply the type of meat preferred. Rather than the beef industry continuing to produce cattle of the type it has in the past while the consumer market is moving away from it, surely the producers should be looking at the trend more closely.

• (1230)

Mr. Speaker, may I raise another point of concern? The people in my riding are most concerned about Toronto International Airport which borders the riding. Hardly a week goes by without some controversy arising about the airport. The question is asked, shall the airport remain as it is; should another runway be built, or should a second airport in the Toronto area be built? In 1968, the government decided that instead of building a fourth runway at Toronto International Airport, it would build a second airport in the Toronto area. I submit that the building of a fourth runway should not be

considered at this time, a suggestion strongly supported by all elected municipal councillors in the area, representatives in the provincial legislature, including the Premier of Ontario, and the four federal members representing constituencies surrounding the airport. We all want to know, what is to happen? What is to be the future of the second airport in the Toronto area?

I understand that the Ministry of Transport considered carefully several suitable sites and, having narrowed the choice to half a dozen, consulted the Ontario government as to which of those would be most suitable in the light of the growth the Ontario government forecast for Ontario. In the end Pickering was chosen. The government announced that it would proceed with Pickering airport. The intention was not to build the airport and then look for business; rather it was intended to build new facilities in accordance with demand. Unfortunately, the Ontario government later withdrew its support for the construction of Pickering airport. Now, all members from the Toronto area are concerned about the adequacy of Toronto's airport facilities in the future. Ten years from now will they be adequate?

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the parliamentary secretary that his allotted time has expired. He may continue with the unanimous consent of the House. Does the parliamentary secretary have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Milne: Mr. Speaker, I shall be brief. I hope the provincial government will quickly come to realize that, unless some decision is taken with regard to the second airport, in the years ahead it will be difficult to provide adequate air service in the Toronto area. I appeal to that government to keep the option of Pickering open. I am not sure if that airport has been accepted as a viable alternative for the future. I simply say that the question of air facilities in Toronto should occupy the attention of the federal and provincial governments and that some definite decision should be taken. Such decision will be most important for the economic vitality of the Toronto area.

Mr. David MacDonald (Egmont): Mr. Speaker, the opportunity to speak in the throne speech debate I feel is most important, in light of the performance of this government during the past few years and, more particularly, the amazing disregard shown in the Speech from the Throne for some of the basic problems facing the country today. I enter this debate at a time when economic and social depression afflicts many people in specific areas and, indeed, whole regions of this country. This is a time of economic instability when the people of those areas need protection and assistance more than ever. At a time when the government should be highly visible and active in guaranteeing those needs, we are faced with an abdication of leadership by this government. Nowhere is this more obvious than in the recently delivered Speech from the Throne.

The commitment of this government to regional development which, in my view, has always been more rhetorical than real, has disappeared almost entirely as a result of the total absence of leadership we see today. Neglect, insensitivity and inconsistency with regard to regional disparity haunts almost every move of the economic and social performance of this government.

In words that are now bitterly prophetic, the former leader of my party, the hon. member for Halifax (Mr. Stanfield), warned of dangers ahead in the fight against disparity. Speaking on second reading of the bill which created in 1969 the Department of Regional Economic Expansion, more than seven years ago, he said that it might, in effect, allow other ministers to say "Let Jean do it" and not accept any particular responsibility for or even wash their hands of, the whole problem of regional disparity. I know it will bring him little joy to note that his words, to my mind, have come true with a vengeance. On occasions far too numerous to mention many members, not only on my side of the House, have reminded successive ministers of the department, and the Prime Minister (Mr. Trudeau) himself, that the task of dealing effectively with regional disparities in this country will not be achieved solely by programs coming under the responsibility of a minister of regional economic expansion. I submit that the names of the ministers who have been given that responsibility in this government read like a roll call of those guilty of dishonour, neglect, missed opportunities, shocking insensitivity, ignorance and even indifference toward the chronic needs of our disadvantaged regions.

I believe almost every minister has important responsibilities which affect either the bias in our structure which perpetuates underdevelopment or the opportunities for some regions to break free of their dependence and become once again self-sustaining members in the Canadian community. I propose today to review, for hon. members of this House, the work of various ministries, from the standpoint of the way in which their performance has undermined and made almost meaningless the work done by the Department of Regional Economic Expansion under various ministers and numerous officials.

When I speak of an inconsistency of approach, perhaps I should say that no minister reflects this inconsistency better than does the Minister of Transport (Mr. Lang). There is little doubt in the minds of our poorer communities, east, west and centre, who should head the list. The minister has made it obvious to us, with his user-pay policy, that in no way is he prepared to support or even understand the concept of regional economic development. I am not sure whether in adopting the user-pay concept, the Minister of Transport is haunted by the ghost of the MacPherson commission report of the 1960s, the ideas of Hon. J. W. Pickersgill, who established the terms of reference of the new Canadian Transport Commission and then proceeded to become head of that commission, or by the ideas of the present head of the commission. Be that as it may, I believe that, in a basic way, the minister fails to understand how essential transportation policy is to this country's unity. It has been absolutely shocking to hear what the Minister of

Transport has said both inside and outside the House about the responsibilities of his portfolio. If the minister had been in the position to exercise his user-pay policy during the tenure of this country's first government, the minister's own constituency would still be nothing more than a colony of prairie dogs. Fortunately, Sir John A. Macdonald did not adopt a policy of user-apay with respect to the railroads, railroads which the minister well knows have been basically important to the opening up and development of his own home area.

Mr. Goodale: You are distorting his position, David.

Mr. MacDonald (Egmont): I should be delighted to hear the Minister of Transport speak about the way in which transport policy favours regional development initiatives. I say this as it was incredible to me that, not many months ago, the minister saw fit to make, as part of his package of restraints, 53 per cent of his restraint cutbacks at the expense of Atlantic Canada alone. Let the parliamentary secretary explain that as an aspect in support of regional development. When I think that in the past year we have had rail freight increases between Atlantic Canada and Ontario in the order of 85 per cent, I wonder how this minister or parliamentary secretary can in any way justify the statement that they are contributing to the alleviation of regional disparities, trying to bring the country together in a more united and equitable fashion.

● (1240)

I have only a relatively brief period of time to catalogue all the sins of omission and commission of the Minister of Transport because there are a number of other ministries that obviously must be traced as well. I will deal with as many as I have time for in the brief period available. I want to raise one I am sure is of interest to the hon. member opposite. I refer to the responsibilities and the performance of the Minister of Energy, Mines and Resources (Mr. Gillespie). The minister's pricing policy for fuel wiped out more family savings in a single winter in Atlantic Canada than the depression and prohibition combined. His contingency plan, in the face of maritimers selling their homes because they could not afford to heat them, consisted of attacking provincial administrations. A newsletter from the Atlantic Provinces Economic Council of a few months ago pointed to high energy prices as an obvious possible cause for continuing disparity.

It is a difficult point to argue when you know, for example, that a commercial firm in Charlottetown last winter paid twice as much for its energy, electricity, as its counterpart in Ontario. It is difficult as well to argue when a consumer in Toronto is paying 4.8 per cent of his income for energy costs compared to a homeowner in my province who paid 12 per cent of his income for energy last winter.

The minister persists in his myopic claim that the high prices are necessary to energy conservation, although consumption in Atlantic Canada is as low as two thirds of the national average. Somehow he is determined to make that disadvantaged region pay dearly for wasteful habits that are not of its own making. The lack of awareness and insensitivity

of this minister is frightening. There was not a single mention of the Atlantic energy problem in the Speech from the Throne. As recently as last Friday, my colleague, the hon. member for Hillsborough (Mr. Macquarrie), raised with the Minister of Energy, Mines and Resources what response will be coming from the federal government with regard to the urgent request from Nova Scotia and Prince Edward Island for substantial temporary aid by way of subsidy in connection with their serious problems in meeting excessively high energy costs. The minister replied, and I quote:

> I have nothing new to add on this question. The matter is under continuing study at the present time.

That is the level of interest and action on the part of this minister. It is not untypical of a number of his colleagues as well. There are questions and issues that must be resolved. Some were raised by my colleague, the hon. member for Cumberland-Colchester North (Mr. Coates), who in speaking in this debate on Friday mentioned the need for action with regard to the continuing possibility and potential of Fundy tidal power. There was no mention of assistance to provinces trying to convert away from their reliance on petroleum for energy. The government of my province placed proposals before this government months ago, but still no reply. There was no mention of any initiatives to equalize the costs of electrical power for business and industry across Canada. There was nothing which might show some glimmer of understanding on the part of the minister that energy costs must not be permitted to widen the disparity gap even further. I will leave the Minister of Energy there, even though there is much more that could and should be said.

With the Minister of Finance (Mr. Macdonald), we move from an area of insensitivity to obvious flippancy. In February of this year, the Minister of Finance was asked what effective measures he was prepared to implement in response to the growing disparity in unemployment rates between the various regions. His answer to this House was that he had at least decided not to take the suggestion offered by someone that DREE be cancelled. What a farce. What insensitivity. Earlier this year, during the energy crunch faced by many disadvantaged regions, we asked the minister what differential in energy rates he was prepared to allow before taking remedial steps. Not only had he not given the matter consideration, he had no intention of doing so. When we consider some of the agencies under this minister's jurisdiction, such as the Federal Business Development Bank which has a lower loan loss write-off than even the chartered banks, we wonder what little difference it can possibly make with regard to the alleviation of regional disparities.

The minister has at least been honest about his attitude toward the poorer regions, insensitive as that may be. He was the one who went on record to admit, frankly and brutally, that his government was not going to do anything to help the areas of chronic depression during a time of government restraint. Indeed, he made remarks to suggest that it would almost be inappropriate to take into account the regional

variations that exist within this country with respect to the government's overall restraint program.

I could and should say more about the Minister of Finance, but I want to move to the Minister of Agriculture (Mr. Whelan). The Minister of Agriculture was given a very significant message from, of all places, the other place. In a report from the Senate on the situation in Kent County, New Brunswick, the minister should have received a message, loud and clear. I had hoped he would be here to hear this message in case he did not hear it earlier.

The Senate report describes the stifling practices of the Department of Agriculture which attempt to force areas such as Kent County into the mold of national policies which are neither designed for, appropriate to or wanted by its citizens. The report exposes the "big or bust" bias which runs through the programs of Agriculture Canada, singling out the Farm Credit Corporation and the unfortunately or misappropriately named Small Farm Development Program for their discrimination against the small-scale farmer. It reports, and I find this almost hard to believe, the callous refusal of one of the officials of Agriculture Canada to grant a loan with the words that, and I quote:

Kent County is not profitable, there is no future there.

I hope the Minister of Agriculture and the Minister of State (Fisheries) (Mr. LeBlanc) have an opportunity to discuss that report. I would be delighted to be a silent listener in that tête-à-tête. There is also the impact of this minister's supply-management programs to consider, and there was some discussion of that in the question period today, whose quotas lock the Atlantic region into a permanent status of net food importers.

The Senate study I just mentioned is backed up on this point by a report of the Economic Council of Canada on regional unemployment which points out how the need to bring in foodstuffs costs the region 11,000 jobs. What maritime agriculture needs, says the Senate report, and this is obvious to many people, is development, and not stabilization. Even though he is not here at this time, I trust that the Minister of Agriculture will have an opportunity to learn again these basic truths.

● (1250)

I leave the minister there with his homework to do and I turn my attention to the President of Treasury Board (Mr. Andras). We find a new minister there but, again, whether it is a new minister or an old minister we are dealing with the same old gang which took the view in December of last year as well as in the previous period of restraint five or six years ago, that the government could not reallocate moneys within the various programs and departments to ease the load on provinces which were suffering from high, chronic unemployment, because it was not something the government had either the imagination or the will to do. Frankly, with supporters like this, one wonders why the Minister of Regional Economic Expansion (Mr. Lessard) even bothers to stay at the job.

I want to mention the Minister of Industry, Trade and Commerce (Mr. Chrétien) because I do not want him to feel neglected. I am sure he is aware of the attention drawn by Dr. Raynauld of the Economic Council of Canada to the large productivity gap which exists between workers in various regions of our country. Yet to my knowledge the hon. gentleman's department continues to give priority to productivity incentives for the high technology industries, not the labour-intensive needs of the poorer communities.

I would expect as well in his department a high priority in the trade division to finding markets based on the potential of those communities and I would have hoped—falsely I suspect—that prior to the GATT negotiations a special review would have been undertaken of those tariffs of ours and of foreign countries which would have a direct bearing on regional development. I regret, however, to say I have seen no evidence of either. The Minister of Industry, Trade and Commerce, even his colleague who formerly occupied that office and who had also been Minister of Regional Economic Expansion, fails to see regional economic expansion as part of his responsibility. This shows, I guess, the kind of watertight compartment in which regional development has finally been placed.

When we think of the Minister of Manpower and Immigration (Mr. Cullen), we recall what has been said about developing a population policy to encourage young people, the active and dynamic elements of our society. Is this policy to be related to a long-term program designed to alleviate regional disparity? Not a word about this aspect. How can the Speech from the Throne promise an immigration policy sensitive to regional needs when the minister's own predecessor admitted to me in correspondence last summer that there were no studies and, apparently, little concern with respect to the effect of immigration on local or regional economies.

There are so many other ministers, Mr. Speaker, that obviously there would not be the opportunity to spend a modicum of time discussing their shortfalls with respect to supporting the so-called basic commitment of the government to reducing regional disparity. When we think of the Minister of Public Works (Mr. Buchanan), we wonder what input is taken into account in relation to public works expenditures as they affect regional development. I ask the Minister of State for Science and Technology (Mr. Faulkner) how much of the funding under his responsibility has aided research and development relative to the needs of small-scale technology in certain regions of this country or whether this aspect was even considered, much less given priority? I ask the Minister of Supply and Services (Mr. Goyer) whether the awarding of contracts has been related to the specific needs or potential of various areas in this country? There is a long catalogue of insensitivity, lack of awareness and neglect which involves every minister of the government. It is obvious no attempt has been made to exercise responsibility along the lines of the theme announced in successive Speeches from the Throne and in the course of speeches made by the Prime Minister (Mr. Trudeau) himself.

Before I deal with the Prime Minister—

Some hon. Members: Oh!

Mr. MacDonald (Egmont): Before I leave all the other ministers, let me say that in no way do I wish to excuse successive ministers of regional economic expansion or absolve the department from responsibility for the lack of commitment to regional equality. Under a minister who seems half-hearted at best about his task, afraid to speak out—

An hon. Member: Who are you talking about now?

Mr. MacDonald (Egmont): —and a department which seems mainly concerned about protecting its own empire, I am not surprised that other departments have felt neither the urge nor the pressure to tackle disparity. The department has obviously failed to take the lead in co-ordinating the activities of other federal departments though the first minister himself stated on a number of occasions that such co-ordination was vital to the success of DREE.

Then again, there has obviously been lack of co-ordination with respect to the attitude of the department toward the various priorities established by the provinces. According to a study produced this year, there are today more than 200 different federal and provincial incentive programs for industry. Surely, one might expect DREE to take the lead in bringing some measure of rationality to these policies in place of the confusion and contradiction which presently exists according to the study I have mentioned. I wonder, too, why successive ministers have been negligent in building a commitment to regional development right across the country among rich and poor areas alike. I say this because in the absence of grass roots support the minister will never get the close co-operation from his colleagues which is vital to success.

I have no time to deal specifically, now, with the Department of Regional Economic Expansion; I know that some of my hon. friends wish to do so. However, I do wish to say to the minister—and I am glad he is present to hear these words—that his failure to indicate the prospect of any amendment of the Regional Development Incentives Act in the Speech from the Throne cannot pass unnoticed. As hon. members will recall, I asked him last week to explain this ominous silence. His answer to me that his officials were beginning to consider this particular matter showed, in my estimation, a shocking disregard for one of the basic programs under his jurisdiction.

What I have in mind, now, are not radical or major changes. Nevertheless, suggestions for changes have been made and need to be implemented. They have come from a variety of sources including the hon. gentleman's own Atlantic Development Council which has recommended streamlined procedures, post-incentive assistance, monitoring and other arrangements which might allow the government to take an equity position in certain new ventures. Economists, too, have studied the program and pointed out some of its defects, such as the capital bias of the grants system. I know the minister is aware of these comments. He did not take office last week, or a month ago, or six months ago. He has been hearing constructive comments and amendments almost from the time RDIA was put into effect, and that was to be expected. What is not expected is that the minister and his officials should adopt such a cavalier approach in face of the amendments which are obviously required if the program is to be successful. I believe the Atlantic Council when it said in its report that the RDIA program "does not appear to have any readily discernible effect upon the relative growth performance of the manufacturing sector in the Atlantic provinces." In these circumstances I would have expected more urgency in the minister's behaviour.

Some hon. Members: One o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. MacDonald (Egmont): Mr. Speaker, before lunch I had dwelt at some length on the failure of a series of ministers within this administration to support the over-all concept of the alleviation of regional disparities in this country. Perhaps members on all sides wonder why I have spent almost all my time in this speech dealing with this particular aspect. I have done so, quite frankly, because I took the Prime Minister (Mr. Trudeau) at his word. I took him at his word when in 1968 he promised a Marshall plan for the maritimes. He told us that the perpetuation of regional inequality meant, to quote him, "that the unity of this country is almost as surely destroyed as it would be by the French-English confrontation". It is he who, in his almost complete failure to match rhetoric with action, has denied this government and the country the leadership, the sense of urgency, that would have required each single department and agency of his government to make regional development central to its responsibility and concern. It is true that regional disparity has been with us for some time. But from the time the Prime Minister assumed the leadership in 1968 he has on repeated occasions made that kind of commitment. I should like to quote from an article that he wrote in 1969 which appeared in the *Atlantic Advocate*. He said:

> That is why I have begun by trying to make clear the central place that regional development occupies in the whole thinking about the future of Canada—

No commitment could be clearer than that. In light of the commitments that have been made by the Prime Minister and referred to from time to time in speeches from the throne since he has occupied that office, it is inconceivable that there would not be a total commitment on the part of all departments. Yet obviously this has not been so.

I think we must learn at least two or three lessons from the experience that we have been through during the last seven years. Genuine and effective regional development cannot be compartmentalized. If this government has proved anything since it assumed office—if I may refer to my hon. friend from Halifax (Mr. Stanfield)—it is that "Let John do it" will not work. Neither will it work when we say "Let Marcel do it" or, for that matter, any other minister who might occupy responsibility for that department. I think Canadians have realized

during the performance of this government that there must be a total approach to a realistic alleviation of regional disparities. I think it is clear that one cannot go somewhere unless one knows where he is going. What does that mean? Let me quote from a report of a few years back, 1971, of the Atlantic Provinces Economic Council in their Fifth Annual Review of the Atlantic Economy. In their conclusions and recommendations they said:

● (1410)

> What is needed from DREE are specific goals and targets, benchmarks by which it may judge, and be judged, on its performance.

APEC was not the only body calling in the early years or since for some clearly defined set of goals, perhaps both long-term and short-term. It was not the only body which suggested it would not be good enough just to have some generally good intentions without a strategy to achieve those goals. Clearly, from the outset in 1969 until the present date we have not had that.

Third, I think it is quite obvious that regional policies and programs will be merely patchwork and inconsistent without an over-all national policy and framework. Perhaps the main reason we have not had an effective regional development experience in this country is there has been lack of an over-all framework of goals in terms of a national policy. The difference, quite clearly, in the approach of this government and the approach we are taking is summed up in the words of the Leader of the Opposition (Mr. Clark) when he spoke in Charlottetown a little over three weeks ago and said:

> The problem is that regional disparity is an issue on the fringes of government policy-making, instead of being a preoccupation at the centre of government policy-making, where it should be and where it will be in a Progressive Conservative government. Regional disparity is not a DREE problem, as Mr. Trudeau would have it. It is a national problem. Concern for regional problems must permeate national energy policy... must underlie national transport policy... must inform the whole field of the federal-provincial relations, and must be a prime consideration in the formulation of the fiscal and economic policy of the government.

This is the intent; this is the spirit; this is the direction in which we must move if we are ever to deal with what the Prime Minister has referred to as one of the twin problems that threatens Canadian unity and, indeed, Canadian confederation.

Mr. Robert K. Andras (President of the Treasury Board): Mr. Speaker, may I open by joining others in this House in offering my congratulations to the new and young members of the House who moved and seconded the address in reply to the Speech from the Throne, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance). Also, along with other hon. members I wish to mention our deep regret at the passing of our colleague, a marvellous woman with great dedication, sincerity and a very considerable degree of strength and firmness, all wrapped up in a great deal of charm. Of course, I refer to Madam Morin, our esteemed colleague from Louis-Hébert who left us recently and left a great deal of sadness behind her.

In entering this debate, may I say that it has not been my custom or style to emulate the bombast with which the opposition invariably fills *Hansard* on such occasions, so I think I shall allow the gibbering wit and witless jibes with which the opposition members approached the Speech from the Throne to stand for what they represent, an empty response to a comprehensive government program designed to strengthen national unity, enhance equality of opportunity and redefine the role of government in consultation and co-operation with the private sector so that we can as a society and as a nation better fulfil the present and future needs of our people.

As we say in the other official language, "gouverner c'est prévoir". The Leader of the Opposition (Mr. Clark) last week told us—or taxed us, indeed—with opportunism because we rejected what I can only call his myopic perceptions of the current problems of the country because we are determined to continue our search for durable solutions to the pervasive and complex problems, whether they be inflation, labour unrest, linguistic tensions or, as referred to by my hon. friend from Egmont (Mr. MacDonald), the problems of regional disparities. Certainly, the Leader of the Opposition is dazzled, I guess, by his own ambitions in that he proclaimed this very weekend that the government had lost the will to govern, presumably because we intend to propose to the House at this session an exhaustive series of co-ordinated measures to improve the social framework for public and private initiative, to raise the productivity performance of all the economic agents with which we have to deal, and to enable all individual Canadians to achieve higher levels of self-fulfilment.

An hon. Member: Anything would be an improvement.

Mr. Andras: Mr. Speaker, my hon. friend has shown his true colours, and when the ultimate poll is in, I think in a couple of years, his remarks will be seen for what they are, a dull and pretty stark etching of what I can only describe as inveterate pessimism.

The functions of Treasury Board as a central agency are so varied and so pervasive that I could speak and expound on virtually all or every aspect of the Speech from the Throne. But as I have just said, the debate on the address provides members with the unique opportunity to show their true colours, and in order to show mine for what they truly are, I will confine myself and my comments, after some preliminary remarks, to an aspect of public service management which recently has caused some apprehension in the country, namely, the pensions of federal public servants and then I want to move on to an issue of grave national concern, which is the government's official languages policy.

The overriding preoccupation of Treasury Board, of course, throughout this session will be to ensure that the expenditures of the federal government do not exceed the growth trend of the gross national product and that substantial, visible and perceptible progress is made toward improving the efficiency, the effectiveness and sensitivity of the public service. I intend to be absolutely brutal with regard to wasteful spending

practices and, indeed, very tough on the monetary control of overhead expenditures.

I know this may not please some public servants. For instance, they will now have to account for such things as the taxi slips they use in the course of their work. But they must understand that they are accountable to the public for every dollar they legitimately spend on such activities and, indeed, that effective monitoring is necessary to discipline the very few who in the past were not averse to taking a free ride at the expense of the taxpayers. I mention taxis, not because I expect great savings from the new procedure but because this is a highly visible example of the type of administrative overhead cost which we are determined to bring under tighter control.

On program expenditures, the government intends to pursue the efforts begun during the first phase of the restraint program to curb the growth of outlays and improve their cost-effectiveness, while maintaining and even improving the quality of public goods and services provided to Canadians. One of the great architects of this century, Mies van de Rohe, used to say "Less is more" when some customer objected to his ruthless suppression of unnecessary embellishments from contemporary designs. That, I think, is what I will adopt as my motto at the Treasury Board. But I want to say I am very convinced that public expenditures can be restrained in a socially progressive way and without paralysing program innovations and expansions.

● (1420)

That conviction, too, will be one of the guiding principles of the Treasury Board in its attempt to find and stick to the middle road charted by the Speech from the Throne and, of course, to assist other departments and agencies in relying more on the private sector to achieve their social and economic objectives. To those ends, the Treasury Board will continue to extend its fullest co-operation to the Auditor General. Indeed, legislation will soon be introduced to clarify the duties and responsibilities of that officer of parliament and to provide him with better means of fulfilling his very important functions.

I will have more to say later in the session on the government's determination to bring down the rate of growth of the public service from 1½ per cent to less than 1 per cent in the next fiscal year, and similarly to contain the growth of the senior executive complement.

As stated in the throne speech, the government also intends to improve the working conditions and the collective bargaining system in the public service, notably to try to reduce the adversary nature of that process and to ensure an equitable relationship between compensation levels in the public as compared to the private sector. I do not intend to allow the public service to become the scapegoat. At the same time, I expect public servants to be aware at all times that they serve the government and that the government is accountable to the Canadian taxpayers for the work that they do, for the compensation that they get and for the conditions of employment they enjoy.

[Mr. Andras.]

The Treasury Board will continue to be a good employer and public servants who pull their weight will be adequately rewarded. Others who do not will find that the federal government is going to become a less comfortable environment. The Treasury Board will continue to honour all commitments made in the collective bargaining framework, but certainly it will insist that public service bargaining agents also honour their commitments.

These general policies in the management of the public service will apply to an area which, as I said earlier, has generated a considerable amount of public attention, and indeed criticism over the past year, namely, the pension arrangements that have been established for federal public servants. The government has taken these concerns most seriously, and it requested about a year ago that the Treasury Board secretariat undertake a general review of the public service pension plan, first to ascertain the facts, and at a later stage to determine what adjustments, if any, should be considered. The first stage of this review has been completed and I tabled a document this morning in the House which outlined the preliminary conclusions and many of the facts on which these preliminary conclusions are based.

Mr. Knowles (Winnipeg North Centre): A very good document.

Mr. Andras: On this occasion I will not attempt to summarize the document which has been made available to all in the House and to the general public. I would like to point out, however, that much of the recent discussion of the public service pension plan has ignored a major factor, perhaps the key factor, in trying to explain why public servants are receiving what we will admit are above average retirement benefits, that is, that the public servants themselves make above average contributions to their pension plan. In other words, public servants have themselves decided that generally they are willing to defer a higher proportion of their current income than other groups of employees in Canada. They will get more later, but they pay more now.

I want to make it quite clear that the document I tabled does not express the definitive view of the government on public service pensions, because that program, like others, is kept under continuing review. A number of developments will give us an opportunity to reassess its provisions in the near future. I am referring in particular to the comprehensive review of the pension policy which will be conducted jointly by the Department of National Health and Welfare and the Department of Finance.

I turn now to another key element in the Speech from the Throne, namely, the government's official languages policy. By way of introduction to that subject, allow me to say that I deeply regret the untimely departure from the cabinet of the hon. member for Winnipeg South (Mr. Richardson) for whom I have considerable personal regard and whom I have known for a long time. I regret even more some of the reasons he put forward to explain his resignation from the cabinet.

I do not intend to comment on the government's often stated intention to achieve formal constitutional independence, the modalities of which have not yet been defined and can only be defined after detailed consultations with the provinces. All I can say is that there is no plot, no secret plan, no conspiracy afoot to bring the constitution home. The government has not operated that way, and indeed if it ever did I would no longer be a part of it.

Moreover, this government will never lock into the constitution the specifics, the details of any federal policy or program as opposed to the fundamental principles of law, for the simple reason that those kinds of specific details, policies and programs must be subject to continuous adjustment and improvement. But I do wish to state categorically that in my view this country will not survive if federal policies are designed, or perceived as being designed, to placate or to contain any particular region, province or group until such time as it achieves what some people have decreed as its proper place within the Canadian federation. That applies as much to Quebec on language rights as to the western provinces on resource policies, to Ontario on industrial issues or to the Atlantic provinces on regional development.

The conviction that Canada is more than the sum of its constituent parts, that the national interest is more than the lowest common denominator between the interests of various regions, is crucial to the continued existence of this country. As stated in the Speech from the Throne, that need not and should not lead to rigid uniformity, but it does require that all federal policies be designed to reflect and promote the interests of all Canadians wherever they happen to live. That has been, and will continue to be, the case for the official languages policy.

I also wish to state categorically that commitment to linguistic equality, like commitment to equality before the law, equality of opportunity and other democratic rights, cannot be meted out to the citizenry in great or small doses depending on whim and fancy. The ways and means to ensure these rights which are enjoyed to the fullest extent by all citizens should, of course, be under continuing review and should be continually improved. Laws can be changed, policies adjusted and programs overhauled, but equality is either recognized and proclaimed or it does not exist.

Some hon. Members: Hear, hear!

Mr. Andras: Seven years ago in this House parliament did recognize and did proclaim equality of the two official languages of Canada. That historic act was promulgated with the support of all political parties represented in the House. The validity of the act was confirmed by the Supreme Court of Canada. It is the view of the government that there cannot, and should not be, any backtracking from the fundamental provisions of that legislation. The Prime Minister (Mr. Trudeau) stated a couple of years ago, in 1974, the determination of the government to make linguistic equality an irreversible fact of Canadian life by the end of this decade, and I endorse that goal without any reservation whatsoever. In my view we simply cannot afford the "wait and see" approach which has been suggested—I am sure with the best intentions—by the hon. member for Winnipeg South.

● (1430)

While listening to the speech made last Wednesday by the Leader of the Opposition (Mr. Clark), I was relieved to note that he apparently shares the views of the government on this question, and I can only hope that his position is supported by all members of his caucus. However, I must take issue with his charge that the current uneasiness in the country about the official languages policy and program is attributable only to errors made in the course of their implementation, particularly in the federal public service. I suggest that the discontent and doubts recently expressed by many Canadians also reflect our inability as politicians to explain to these Canadians the true intent and nature of our languages policy and to demonstrate to them its essential fairness and reasonableness. I further suggest that in this respect English-speaking members on both sides of this House must take their full share of the blame.

Some hon. Members: Hear, hear!

Mr. Andras: I do not want to be misunderstood on this issue. I am not trying to pass the buck. Errors have been made, and that must be admitted. They have to be acknowledged, and they are going to be corrected. But given the experimental nature of many of the programs devised to implement the Official Languages Act and the parliamentary resolution of 1973, I think it was probably inevitable that specific aspects of these programs might prove to be less effective three or five years after their introduction than was originally expected, and certainly a contrary situation would have been surprising. Even the best thought-out government programs must periodically be adjusted to take into account the lessons of experience, the change in circumstances or advances in human knowledge. As the former minister of manpower and immigration, hon. members may recognize that I speak on that subject with some experience and authority.

It also must be pointed out that in our efforts to convert the public service of Canada into a functionally bilingual institution, without hampering its effectiveness and without prejudicing the career entitlements of public servants already on strength, we could not rely on the experience of other countries since it was, by and large, a task of unprecedented magnitude which had to be tailored, and still must be tailored, to specific Canadian requirements.

Both my predecessor and I have indicated in very recent months that a comprehensive review of all linguistic policies and programs is under way, and the government has pledged in the Speech from the Throne that those programs which have been successful will be continued, while those which have not will be modified. I can already assure the House, for example, that language training programs will be improved, that the linguistic requirements of positions will be reidentified, and that language standards will be revised. As a personal note, I might say that I am as intrigued, as I think my

predecessor was, by the concept of receptive bilingualism as opposed to active or complete proficiency in both official languages, because it may often correspond more accurately to the practical requirements of functional bilingualism in the public service.

The House will be informed in the course of this session of the government's decisions on specific issues in this area. However, in view of their often stated interest in and their criticism of the implementation of the Official Languages Act, I advise opposition members that in many areas we have not completed our review and I welcome and invite them to give us their ideas before we come to definite conclusions. Indeed, those kinds of suggestions will be more than welcome. However, no matter how much we adjust and readjust our program, we will not succeed in building a durable national consensus on official languages unless we manage to convince all Canadians—particularly, nowadays, English-speaking Canadians—that federal policies in this field do derive from fundamental principles of justice, equality and tolerance which should apply everywhere, in western Canada as well as in Quebec and in Ontario as well as in the Atlantic region. In that respect, the mere possibility of failure has frightening implications and for that reason I suggest that the task at hand should mobilize the elected representatives of all parties from all regions of Canada.

In recent months I have come to the conclusion that both parliament and the government have very much underestimated the need for facts and for public information on official languages policies, most particularly in English Canada. I do not think Canadians are more bigoted or intolerant—in fact, they are probably less so—than people anywhere else in the world. The mosaic of our nation indicates that to me. However, I do feel that because our French-speaking population—six million people, more than the combined population of the prairie provinces, most of whom are unilingual—is so heavily concentrated in the province of Quebec, it has been very difficult, as it was for me when I first came out of the west to parliament eleven years ago, for a great number of people to perceive the need for this policy, for the simple reason that they live in regions of the country where there are few French-speaking Canadians.

I think, also, that many people, particularly outside Quebec—and I think this is where we have fallen down—have not been made aware of the true and limited implications of the official languages policy for them because those implications are minimal. I think those people have too often been left with the impression that the policy grants special privileges to the French language and somehow diminishes the proper and necessary status of the English language in the federal government, and of course that really is nonsense.

However, the fact is that we have tended to take public opinion for granted on this issue. More often than not—and in Canada I believe it is necessary to correct this now—I think we have failed to recognize the normal anxieties of English-speaking Canadians. After all, they are not superhuman. We have neglected to repeat often enough and patiently enough the converse of what our French-speaking colleagues have been saying to their constituents for years. They have been saying, first, that the Official Languages Act entrenches the right of English-speaking Canadians to deal with the federal government in English, to work for federal departments and agencies in that language and to learn the other official language only if they wish to do so.

Second, they have been saying that the official languages policy has effectively recognized the distinct personality and the different needs of each region, so that in the four western provinces, for example, over 98 per cent of the federal public service positions require only knowledge of English from their incumbents for the simple reason that the need for a bilingual capacity in federal offices located there is minimal.

● (1440)

Third, through the whole the public service today only about 20 per cent of the positions are identified as bilingual, and 87 per cent of these are located in areas of the country where there is an obvious need for them. I am talking about the national capital region, metropolitan Montreal, northern and eastern Ontario and northern and eastern New Brunswick.

Fourth, the conditional appointment and language training programs for bilingual positions, which is the most expensive and the most often criticized aspect of our policies, were specifically designed to enable all Canadians from all parts of Canada to compete for jobs identified as bilingual even if the applicants were unilingual; and so on.

We have not got that kind of story across. We believed that the facts would speak for themselves, but unfortunately they have not. The fact that many Canadians still think that the government is trying to ram French down their throats is indicative of our failure to communicate these facts to the public because, I repeat, the Official Languages Act was adopted precisely to achieve and preserve freedom of choice for all Canadians with respect to our official languages.

Despite the fact that I am unilingual, for instance, and that my political roots are in Ontario, that I was brought up in western Canada and that I have lived in most regions of English Canada, these facts make me confident that the current disenchantment of English-speaking Canadians with respect to bilingualism can be dissipated. I certainly intend to give top priority to public information on that subject as part of my responsibilities. I am unilingual, and although I regret that very much, I do not have great hang-ups about it. I can honestly say that I have not suffered because of it since I came to Ottawa 11 years ago.

I think that is the way it should be, although I am very well aware that for some federal public servants, most of them French Canadians but more recently a certain number of Anglophones, unilingualism has been a handicap. I cannot claim to have a great facility for languages, but I can tell the House that I have tried, and still try, to acquire a receptive capacity in the French language. I know I shall never be able to make a resounding speech in Quebec like the Prime Minister or the hon. member for Langelier (Mr. Marchand).

Mr. Paproski: Or Joe Clark.

Mr. Andras: Or Joe Clark. I think we have to face the prospect that some ministers will always be unilingual, at least upon their appointment, and particularly those chosen from amongst anglophone members of parliament. I think the important thing is the politician's commitment to linguistic equality, not his linguistic proficiency. I can tell you, Mr. Speaker, that there is no doubt about my commitment nor the strength of it. The commitment is the important thing, and I think that applies to all Canadians. The really important thing is to understand and support the provisions of the Official Languages Act, not just the ability to speak both French and English, however desirable that may be. Still, perhaps because of the fact that I have not been able to acquire at a later stage—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. minister, but his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: Continue.

Mr. Paproski: As they say in Ukrainian, d'accord.

Mr. Andras: May I convey through you, Mr. Speaker, my gratitude to the House. This leads me to look at the "youth option" recommended by the Commissioner of Official Languages and which, in the Speech from the Throne, the government has accepted in principle. I believe there is a lot of evidence that although they have some reservations about some of our linguistic programs, Canadians are particularly anxious that their children have the best possible chance of understanding their compatriots in the other language. Accordingly, we as a government are going to discuss with the provinces arrangements to increase the effectiveness of official languages training in the country's school systems.

My personal experience makes me particularly sympathetic to the difficulties faced by unilingual public servants—and I am talking about unilingual public servants of both languages. In undertaking my new responsibilities, I certainly intend to see that these difficulties are very carefully examined and that programs and procedures are reviewed in order to minimize them and, wherever possible, to eliminate them.

At the same time, I am taking steps to ensure that my unilingualism in the Treasury Board does not cause a reversal of the very considerable progress made under my predecessors to make French an effective working language within the Treasury Board secretariat. About 20 per cent or 30 per cent of the secretariat's internal working papers are currently drafted in French, and I intend to maintain the proportion. I think it is incumbent upon Treasury Board to be a leading agency in this area. It is my ambition to show how a unilingual minister can adjust to functional bilingualism in the public service of Canada. I am winding down to the conclusion of my remarks, Mr. Speaker, and unfortunately recent events require that I conclude on a more sombre note.

Passion has run high and tensions are mounting; pronouncements have ranged from the outlandish to the extravagant. Only last week I saw on the front page of *Le Devoir* an article by the editor in chief who is obviously dismayed about these outbursts on official languages and French-English relations. While he came down on the right side, his comments gave rise to the headline which asked whether Canada wanted to separate from Quebec. The notion entertained by some people that we should go through a replay of the battle of the Plains of Abraham over the Official Languages Act is an extremely dangerous delusion.

Our language development policy has nothing to do—and God forbid that it should—with the imperial rivalries between French and English of centuries ago. It stems from the concern for human rights and social justice which is surely a Canadian thing. It is a vital element of Canadian democracy. It is a necessary condition, and I say it is a practical requirement for effective and harmonious political association between two linguistic communities which simply cannot afford, in this day and age, to be "warring within the bosom of a single state", to paraphrase Lord Durham's famous report. Consequently, linguistic equality is one of the cornerstones of Canadian national unity.

To allow intercommunal conflict to develop over the language issue, as is currently threatened, would be a tragic case of self-destruction for this country. English Canadians could not win that battle. French Canadians could not be brought to defeat on the contemporary battleground occupied by the separatist movement in Quebec. Canadians of other ethnic origins—the third group, as we sometimes call them—could not escape unscathed from such a conflict, because at the very root of it is intolerance. Intolerance would be the dominant passion, and I suggest that Canadians of other ethnic origins are particularly vulernable to intolerance. All would lose, and what would be lost would be Canada itself, the country our forebears built up and left to us in trust, a country which I think it is our moral and constitutional obligation to pass on to our children, strengthened and united.

● (1450)

I do not want to be of the generation that would allow fractious and disruptive forces to undermine the life of this country. I do not ever want to hear my children or two grandchildren say or even have them think in terms of, "You knew it was coming; you knew why, and you failed to prevent it." Those sentiments should apply to everyone in this House. It has for many years been my overriding concern, as it ought to be the concern of all here, that because of inaction or irresponsible action we should deserve to have such an indictment levelled at us by those who placed their trust in us: I was going to say "placed their trust in the government," but I really mean parliament.

That is why the Speech from the Throne announced a series of co-ordinated measures to strengthen national unity, expand individual freedom and enhance quality of opportunity. That is why the government is pledged to promoting better under-

standing between French-speaking and English-speaking Canadians. Personal conviction, as much as political commitment and ministerial responsibility, compel me to dedicate myself to the promotion of that understanding and to the building of a national consensus on official languages.

The Acting Speaker (Mr. Turner): Order, please. I should like to mention that the hon. member for Malpeque (Mr. MacLean) will be making his final speech in this House at about 8.30 this evening. The hon. member has served Canada well in his distinguished military career, followed by his great career in the House of Commons where he has served since 1951. On behalf of all members I wish him well as he begins a new political career in the service of his province and country. May the good Lord look after him.

Some hon. Members: Hear, hear!

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I want to speak of Canada's role in the crisis of the United Nations. Judging by the throne speech, which devoted only four paragraphs to international affairs, not many Canadians appear to be interested in events beyond our borders. This myopic view of the government short-changes the Canadian public who have a right to much better leadership in pursuing a policy of enlightened internationalism.

We have a new Secretary of State for External Affairs (Mr. Jamieson) and I wish him well. It should not detract from the sincerity of my good wishes to him personally to express my wonder at how the nations of the world are to be expected to take Canada seriously when external affairs ministers are shifted because the government needs someone to find the way through the House of Commons. Is Canada's role internationally so unimportant, is the external affairs portfolio so simple that ministers can be switched in a political game of musical chairs?

The former external affairs minister was beginning to make his mark—especially as co-chairman of the north-south conference on international economic co-operation—after a two-year settling-in process, and I respected him. But how can we respect a Prime Minister (Mr. Trudeau) who forces his external affairs minister to vacate his office for, of all posts, the House leadership, thus upsetting the continuity of foreign policy. I cannot imagine Lester Pearson ever doing such a thing.

Of course we must go on not only developing but implementing a policy of realism in our relations with the global community. As we examine our fundamental policy of pursuing peace, I want to emphasize that through the United Nations Canada can make a major contribution to world order and peace in the last quarter of this century. There is a desperate need for fresh leadership at the UN and the moment is ripe. Canada has a new ambassador at the UN, in the skilled William Barton, and we are about to take a seat again on the security council.

The UN itself is changing. Certainly, the major task of the UN is still the maintenance of peace, "to save succeeding generations from the scourge of war," as the founders of the UN expressed it. But the development of conditions of peace is now seen to require a wide range of activity: an equitable economic order, population control, an end to racial discrimination, a new law of the sea, a code of conduct for transnational corporations, protection of the environment, the development of human settlements. Global problems of the development of food, energy and jobs now dominate the UN agenda. A new *Reader's Digest* Gallup world public opinion poll reveals that the rich-poor disparity is now the dominant political fact on the planet. As Secretary General Kurt Waldheim puts it:

> We have come to see that the security of this world is linked to an equitable sharing of wealth, not just as an objective for the distant future but as a matter of urgency.

The UN is making progress in solving the deeply human problems of world development. But at this very moment countless people are about to give up on the United Nations. That is why I said at the outset that there is a crisis of the United Nations. It is being subverted by those who are more strongly motivated by racial hatred than by the peaceful development of mankind. Anti-Jewish hatred nearly wrecked the Habitat conference in Vancouver last June. The very existence of UNESCO is threatened by the adamant refusal of the Arab-Communist bloc to allow Israel to join it. Prominent scientists and academics have called for an end to anti-Israel discrimination or face the possible collapse of UNESCO.

All people at the UN must find ways to stop the spread of racism in the conferences and resolutions that give the UN its image. Racism will destroy the credibility of the United Nations as an instrument of peace. Already that credibility is being questioned as never before. How can the UN be a moral force to stop the escalation of violation of human rights around the world if it is corroded by hatred from within?

As a politician strongly in support of more Canadian involvement in the UN, I am concerned about the growing public reaction against the UN on many fronts. It is attacked because it cannot stop local wars now going on. It cannot even agree on a formula to act against international terrorism; it is paralysed in advancing disarmament and cannot stop the spread of deadly nuclear fuel reprocessing plants. The General Assembly has become a bear-pit in which newly liberated third world nations trample on the old, industrialized nations. The good will of the west in advancing economic development is undermined by the politics of hate.

The media, feasting on confrontation, have put across the message of the UN as a force to be tolerated rather than a force to be supported. The combination of stupidities within the UN and the media's concentration on its failures rather than successes has resulted in the lowest public confidence in the UN's 31-year history. How is it that every Canadian knows about the infamous anti-Zionist resolution passed at the UN and hardly a handful know what the new international economic order is all about?

I count it a good day if I have persuaded a voter not to demand a cutback in Canada's support of the UN rather than

persuading him to support increased commitments. Canada pays 3 per cent of the UN budget. It has become all too easy to vent our frustrations over future shock by scorning the UN as incomprehensible and irrelevant—as if it were easy to find agreement among 144 nations.

Although there are times when any thinking person must despair at the abuses and misuses of the United Nations, we must not lose light of the great achievements of the UN. Sometimes I hear the accusation, "Name me one good thing the UN has ever done." I can name many. The UN helps the homeless. The United Nations High Commissioner for Refugees has helped 200,000 displaced persons resettle in Africa, and 216,000 in Asia. The UN bridges the illiteracy gap. The United Nations' Educational, Scientific and Cultural Organization has trained more than 64,000 teachers and educational planners in low income countries. The UN fights famine. By providing technical assistance and research, the Food and Agricultural Organization is promoting modern agricultural techniques, better plant strains, better irrigation and soil management, better food processing, storage and distribution.

The UN brings milk to the world's children. The United Nations' children's fund has helped to set up 220 milk processing plants in 45 countries for cheap and sanitary distribution of this important source of protein. The UN helps provide clean water. Nearly 90 per cent of rural populations in developing countries drink tainted water—a leading cause of sickness and death. The United Nations' environment program has mounted a drive with other international agencies to deliver safe, potable water. UNEP also keeps track of pollutants in the oceans, the atmosphere and on earth to provide scientists with an accurate picture of our planet's health. The United Nations helps people help themselves. Last year the United Nations development program sent more than 9,800 experts to work on 7,600 projects in 144 countries and territories.

● (1500)

These are only the highlights in a long catalogue of United Nations' accomplishments that we too often overlook. Most people think of the United Nations as only the general assembly and the security council. But a vital part of the United Nations, where more than 90 per cent of its budget goes, is this world wide system of specialized agencies and programs. We cannot properly assess the United Nations' role and potential in building global strategies for peace by looking only at the skirmishes in the spotlight. The United Nations must be related to the sweep of history passing before our eyes.

The past 30 years has been one of the most dangerous periods in human history. It was a period of Promethean change during which we ran the risks of several world wide conflagrations. North and south, east and west, rich and poor, black and white, the powerful and the weak, came into contact with each other under explosive circumstances.

Science and technology made incredible strides, for good and bad. Atomic weapons and energy were born. Man landed on the moon. More than a thousand satellites were launched around the earth. Man further extended the power of his eyes with giant telescopes, spectroscopes, television, electronic microscopes and radars; the power of his hands with incredible machines and factories; the faculties of his hearing with sonars, radio and space telecommunications; the capacities of his brain with computers and automation. His knowledge has reached farther and farther into the universe and deeper and deeper into the infinitely small. Many of his inventions bore seeds of progress as well as of destruction. A world war was nevertheless avoided, and I believe that the United Nations has played an important role in building bridges and reducing tensions.

The changes of the past 30 years have revealed many limits and constraints regarding human life and behaviour on our planet: limits of population; limits of the environment, limits of growth, limits of resources, limits of the biosphere. These external constraints begin to demonstrate to governments that there are also limits to power. I believe that this first correct view of our planet and of human life on it, obtained in large degree through the United Nations and its specialized agencies, will finally bring governments to act in a more responsible and concerted way.

This evolutionary progress is the real value of UN work. With its 16 specialized agencies, 14 permanent programs and string of world conferences, the United Nations is working on the whole fabric of peace. The UN is helping us to know what we need to know to ensure a decent, peaceful and happy life of self-fulfilled people. National governments are learning that they must co-operate because of the physical and economic interdependence of the whole planet. The UN even in these early stages of its development, is one of the most astonishing instruments on earth. This is a time to praise it, not damn it.

As we consider a greater role for Canada in the global community, we must note the UN shift in emphasis from peacekeeping to international economic and social development. Peace is no longer defined as the absence of war; peace now means human development. Far from being different goals, peacekeeping and development should be intertwined in our total contribution to peace. Canada has consistently supported United Nations activities in maintaining peace and security. With 1,500 military personnel abroad in this capacity, Canada is the largest contributor of troops for UN peacekeeping. We can make an even greater contribution, in a military sense, by stepping up our efforts to end the arms race. Here the special qualifications of Ambassador Barton, formerly Canada's envoy to the UN disarmament committee, will be significant in intensifying Canada's work.

The UN Secretary-General considers the arms race to be "one of the most critical world problems that confronts us today." In a world increasingly preoccupied with the problems of social justice, hunger, poverty, illiteracy, disease, development and an equitable sharing of resources, world military expenditures have spiralled to $300 billion a year. By shameful contrast, the net flow of official development assistance is only $15 billion a year. The international arms trade has reached

$20 billion—including Canada's share—conventional weapons are becoming increasingly more sophisticated and deadly, and the technological arms race threatens to produce even more horrible means of mass destruction.

While some 400,000 engineers and scientists are working on military projects which absorb some 40 per cent of the funds allocated in the world to research and development, important problems facing mankind and requiring the contribution of those scientists and engineers are being neglected. The continued "improvement" of nuclear weapons that could obliterate all human life many times over is a demonic spectacle.

Nuclear proliferation is sweeping the globe, and the nuclear club is no longer exclusive. Even countries that have not acceded to the non-proliferation treaty—Brazil, Argentina, Egypt, Israel, Spain—are on the point of obtaining giant reactors. The more nuclear powers there are, the less control there will be and the greater the likelihood that the atom will be used in violence. That is what has led the authoritative Stockholm International Peace Research Institute to issue a gloomy prediction. Within nine years, 35 countries will be able to make atomic weapons. The future is very gloomy indeed.

Despite the growing danger, two years of SALT negotiations produced no positive results and the long-awaited world disarmament conference is no nearer reality. Yet we cannot give up on disarmament. I think the time is right for Canada to push hard for a special session of the UN general assembly devoted to disarmament.

If a world disarmament conference is still an impossibility, then a special session of the UN is the next best thing, for a special session would put a world spotlight on disarmament and mobilize public opinion on the necessity of disarmament. It would stimulate international action to make disarmament more likely, especially the creation of better world security, including permanent UN peacekeeping machinery, and develop a comprehensive program on disarmament, reaffirming the goal of general and complete disarmament. If such a special session were successful, it could serve as a stimulus for convening a world disarmament conference.

Disarmament can only be achieved if confidence is increased among nations. The non-aligned and the smaller countries have an increasingly important role to play in building a spirit of international confidence. This task is directly connected to development, since there can be no confidence in a world situation in which 30 per cent of the world's population receives and controls 70 per cent of the world's income.

What is at issue—as the UN has repeatedly made clear throughout this second development decade—is the continuing validity of the economic system which has dominated the world since the great economic expansion of the industrialized nations a century ago. We cannot have a stable and healthy world unless the enormous disparity between the affluent nations and those millions in Africa, Asia and Latin-America who suffer from poverty, malnutrition and lack of hope can be reduced and eventually eliminated.

[Mr. Roche.]

Only this weekend the United Nations has again proven its value with the publication of a report, "The Future of the World Economy", which amasses a huge body of data to show that world resources will be sufficient to support a growing population and higher living standards without inevitable environmental damage. What is still needed is a reform of relations between developed and developing nations to share that economic growth. I will quote only one paragraph from this remarkable document to show that the mobilization of political will is our chief problem:

● (1510)

> To ensure accelerated development, two general conditions are necessary: first, far-reaching internal changes of a social, political and institutional character in the developing countries and, second, significant changes in the world economic order.

The debate on the new international economic order has opened a new chapter in international relations, in which the sixth and seventh special sessions of the general assembly, along with the adoption of the charter of economic rights and duties of states, have so far been the key points.

I am often asked what the new economic order is all about. It is not a club or an association or some sort of economic miracle. It is, rather, a process to provide rapid economic and social development in the developing countries which contain the majority of mankind. It is a determination to provide the basics of life—food, shelter, education, medicine and job opportunities for every human being. It is a plan to make nations self-reliant so that the people within them can find true human liberation in their own lives.

In short, the global reform proposed by the new international economic order embraces: eradication of mass poverty and unemployment; stable and equitable return for commodities; self-sufficiency in food; reform of rules governing international trade; and an increased share in industrial activities for developing countries. Further proposals include an increased flow of assistance on concessional terms based only on need and equity, and equitable sharing in the global economic decision-making process.

The response of Canada to this challenge has been splendid—in rhetorical terms. The speeches of the Prime Minister and the former external affairs minister have been impressive. So, too, is the government's one-year old strategy for international development cooperation, a 21-point, multidimensional policy which supports the main lines of the new economic order.

I unhesitatingly support this strategy because it begins the process of moving away from aid as the only expression of our humanitarian concern. The strategy makes a commitment to the reform of the international trade and monetary systems which are at the root of mass poverty. Canada's total policy includes increased aid to the least developed and a willingness to move forward on commodity agreements, trade liberalization and industrial co-operation. It is weak on specifics, but the direction of the policy is accurate.

The principal problem with the strategy, as I discovered in a tour of the country, is that few Canadians have ever heard of it. The government, preoccupied with the domestic economy, has not promoted it. The media have all but ignored it. The result is that Canadian public opinion lags far behind the reality of the interlocking nature of global problems highlighted by the special UN conferences on population, food and human settlements. For its part, parliament, in its usual inversion of priorities, devotes very little attention to international development.

There is, in short, scarcely any pressure on the government to implement its own strategy. The pressure is the other way—not to allow more imports from "cheap labour" countries; not to share the mineral resources on the continental shelf beyond the 200-mile economic zone; not to pay any more than we have to for third world commodities.

Our direct foreign aid, as a percentage of GNP, has been cut—the ironic victim of domestic restraint. Our bilateral aid is still heavily tied to Canadian business. Our role in the important negotiations at the fourth United Nations trade and development conference was marked by resistance to the third world rather than support.

What the government has signalled to the UN in the first year of this new policy is timidity and drift rather than the innovative action so desperately needed. What the government has signalled to Canada in the throne speech is that international affairs are not very important. I call on the new Secretary of State for External Affairs to involve Canada more deeply in the work of the UN. He is a practical man and undoubtedly wants specific suggestions. Here are some. First, reconstitute the subcommittee on international development which during the last session did such valuable work in opening up ways in which Canada can help bring about trade and monetary reform. Second, increase the share of CIDA's budget going to non-governmental organizations which are the only effective public education instrument we have. Boost the mere $35,000 the government provides the United Nations Association of Canada so that it can do the information job it is capable of. Third, involve more Canadians in international development by enabling CIDA to honour its matching fund program which currently is restricted to matching only 54 cents for every dollar raised privately. Fourth, demonstrate Canada's determination to reach .7 per cent of GNP in development assistance by raising our commitment at least as much as our defence budget which goes up by an inflation factor plus 12 per cent a year. Last, press for the creation of a minister of state for international development who would be able to give full time to the necessary watchdog function of CIDA and also raise the level of public participation in Canada's role internationally.

The demands of a new order and their implications for our way of life must enter the daily consciousness of Canadians. This is a job for more than government, but if government does not take the lead in helping Canadians understand what the United Nations is calling for, there is faint prospect that the changes required will be supported by the voters.

With the arousal of political will there is every reason to hope for a better future. The technology to make it possible is exciting. Recently, I visited the Wheat and Maize Improvement Centre in Mexico, one of the principal agricultural research centres in the world and home of the green revolution. Funded partly by Canada, the centre's work in developing new strains of maize, wheat, barley, sorghum and triticale has dramatically raised world cereal yields in the past decade with the prospect of greater gains ahead as the technology is applied.

The experts I talked with are agreed that the world has the capacity to feed billions more people than are now living. It is a strange world where the scientists give reasons for hope and the politicians despair. Perhaps we should all step back a pace and survey the wide scene as Barbara Ward did at the conclusion of "The Home of Man", written for Habitat:

> In this time of reassessment, in this age of questioning as intense as any since the great debates of the millenium before the birth of Christ, there is promise of an extraordinary and almost wholly unforeseen fusion of ideas which, separated and even hostile for many centuries, now seem capable of that mutual interpenetration which, in the nuclear as in the intellectual world, can release floods of new energy, new directions, new possibilities, new beings, new forms.

● (1520)

[*Translation*]

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, first of all I wish to congratulate you and wish you great success in the office you have held in the House over the past year. The Sudbury constituents are proud of their elected representative, and we were able to appreciate your many talents during the first session of this Parliament. I wish also to congratulate the movers of the Address in reply to the Speech from the Throne for their excellent presentations.

In October 1974, I did not have the opportunity to take part in the Speech from the Throne debate, and I want to tell the House how proud I am to represent the Gaspé constituency in the Canadian Parliament. The people in the Gaspé constituency have given their vote to the Liberal party because they know that Liberal governments have always demonstrated their concern for economically poorer regions, and the development we have witnessed these past few years is surely evidence of this. My duty, ever since I have been their elected representative, has been to make sure that they are well provided for.

In the 1974 election, Gaspé was the only riding with two candidates only, one Liberal and one Conservative. In my opinion, this is an historical fact which must be brought before the House.

I am glad that the Speech from the Throne deals with the equality of opportunity for all Canadians. I would like to read again this excerpt which is very important for the regional development. I quote:

> While it is essential to national unity that all Canadians believe we have an equal opportunity to be fully ourselves in a cultural sense, it is just as essential to unity that we enjoy equal opportunities for individual and regional economic fulfilment.

To translate Canada's economic potential into real growth and equality of opportunity, we must be both clear-sighted in our recognition of the obstacles which lie in our path, and united in our determination to remove them.

On the economic level, the Gaspé peninsula which I represent benefitted from special agreements for the social and economic development of eastern Quebec. Signed in 1968, this general agreement for Canada-Quebec cooperation gave results which in some cases go beyond the estimated objectives.

The agreement contributed to the implementation of infrastructures which are very important for the development of the area. It is now a matter of launching programs to stimulate the establishment of productive occupations and consolidate jobs in traditional sectors. Negotiations are under way between both levels of government and the people in eastern Quebec, particularly Gaspé, request the signature of another special agreement or of auxiliary agreements to set up sectorial programs for the economic development of the area while maintaining the objective of job creation.

The Minister of Finance (Mr. Macdonald) and the President of the Treasury Board (Mr. Andras) must pay particular attention to the allocation of budgets for the coming years to favour economically deprived areas. The Minister of Regional Economic Expansion (Mr. Lessard) must have at his disposal the necessary funds to meet his obligations with the provinces for the development of slow growth areas in Canada.

The government must not apply their budgetary restrictions in areas with low income or very high unemployment. I venture to suggest to the ministers, particularly to the Minister of Transport (Mr. Lang), that air and road communications in Gaspé leave much to be desired and that there is room for some improvements. It is inconceivable that in 1976 Gaspé cannot yet boast a 6,000-foot runway nor the proper flight control facilities.

Mr. Speaker, I should like to make a few remarks on the fishing industry in eastern Canada and more particularly in the Gulf of St. Lawrence. I take this opportunity to congratulate the hon. member for Westmorland-Kent (Mr. LeBlanc) on his recent appointment as Minister of Fisheries and the Envionment and wish him the same success he had as Minister of State responsible for Fisheries and acting Minister of the Environment.

In the last few years, it has become increasingly obvious that the intensive fishing practised by foreign fleets off the Canadian coast, in particular that of ground fish on the eastern coast, would lead to a disastrous situation. The fish population, formerly abundant, have reached dangerously low levels. The very existence of the Canadian communities that depend on fishing for their livelihood is therefore threatened. The Liberal government, under the leadership of the right hon. Prime Minister (Mr. Trudeau), signed bilateral agreements with several countries which had access to our fishing areas thereby allowing Canada to extend from 12 to 200 miles off-shore its territorial sovereignity with regard to fishing. That decision is most important for the future of that industry in Canada. All members and all Canadians congratulate the ministers and their officials who participated in the drafting and the signature of the agreements between countries. In fact, Mr. Speaker, those agreements are being used as models by those countries which are now facing a similar situation. In extending the fishing zone to 200 miles, the government has shown a genuine interest in fishing industries in Canada.

Since 1974, the government has spent more than $130 million to support fishing industries and more specifically those on the east coast. The Department of Environment has a price support program for fishermen and for companies processing first quality ground fish. In addition, the government of Quebec also has several programs for fishing industries and a recent agreement has been concluded between the provincial government and processing plant owners under which employees are guaranteed a standard working week. With decreasing catches in the gulf, some plants can only give a few days of work to their employees every week. With the new Quebec program employees can look forward to a normal income every week. However we hope that all those programs will be temporary and that conditions will be normalized in a near future, let us hope before 1980.

Although the governments have implemented satisfactory programs to assist fisheries, prospects are not very encouraging because stocks of red fish and cod in several areas of the gulf have been seriously depleted, so that the quotas for those two species will be considerably reduced for 1977. In order to replenish those stocks, it is essential to restrict fishing in the immediate future lest the survival of fisheries be jeopardized in the Gulf of St. Lawrence. Quebec fishermen will experience a difficult period as long as the stocks are not restored, because large trawlers operating in the gulf will have to fish elsewhere, more specially on the Atlantic coast. The government has given financial support to fishermen whose home port is in the gulf to compensate for the longer trips they will have to make as well as the problems faced by those who fish in unknown areas.

Since September 28, cod fishing in the Gaspé area and the north of New Brunswick is closed up to three miles from the coast. The quota of fish set by the International Commission for the Northwest Atlantic Fisheries (ICNAF) in area T4 has been exceeded. If we have reached the aim at the end of September, it is due to the exceptional quantities of cod taken earlier this year by trawlers from Newfoundland and Nova Scotia, more particularly in January, February and March. For the remaining of 1976 the minister has decreed that Newfoundland and Nova Scotia trawlers will no longer be allowed to catch redfish in the gulf and cod in the southern part of the gulf. That is not enough to preserve fish stocks in the gulf.

● (1530)

To share out equally the number of fish that can be landed in a season and to protect the fishing industry in Quebec and in northern New Brunswick, I recommend that the Gulf of St. Lawrence as a whole be reserved to fishermen whose home port is the Gulf of St. Lawrence, and that fishing for some species such as redfish and cod be prohibited in January,

February and March for the next two years. And I think that in the speech he made on October 14 the hon. member for South Shore (Mr. Crouse) echoed my ideas, when he said, as reported in *Hansard*, page 64, I quote:

I also believe that in order to develop a sound management scheme for our fisheries, consideration should be given to such factors as the time of the year when fish can be most efficiently caught, and here the fishermen's knowledge should be utilized. Consideration should also be given to the seasonal variations in the quality of fish, as well as other biological factors relating to the spawning period. We cannot continue in our old ways and habits if we are serious in our intention to rebuild our fisheries resources, and this applies to all ships licensed to fish on our banks, whether they be Canadian or ships of other nations.

Mr. Speaker, I fully agree with that statement of the official spokesman for the opposition, when he says that the government should immediately take very drastic measures.

Lately, the government amended the unemployment insurance program for fishermen, and those changes should come into effect this fall. Fishermen will be able to draw their unemployment benefits during the first week of November instead of December, while the deadline remains the week of May 15. The main changes provide fishermen with supplementary benefits based on the regional rate of unemployment. Mr. Speaker, I wish to inform the House that these changes to the Unemployment Insurance Commission Regulations will benefit mostly fishermen in the Gaspé Peninsula, Îles-de-la-Madeleine and even those in northern New Brunswick; congratulations to the ministers who introduced these changes!

In the last few years, grants available for building fishing boats of 30 to 75 feet have declined; I therefore ask the government to take the necessary steps to continue this program of grants to the fishing boat building industry to allow a rational renewal of the fleet, not grants to build new fishing boats but to renew old ones.

Mr. Speaker, the Prime Minister and his government hold close to their heart the well-being of our people, particularly working families, the unemployed and non-organized people. He has demonstrated it in the Speech from the Throne and again in a special way in his speech to the House last Wednesday. This speech is well worth reading by all Canadians as it demonstrates that both the CLC president and the leader of the NDP are wrong to criticize the anti-inflation legislation without offering alternative solutions. The failure of the day of protest against the anti-inflation measures on October 14 is abundant proof that the Canadian people support their government in its fight against inflation.

The Prime Minister drew a very realistic picture of the impact the controls had over the Canadian economy. The workers from Gaspesia, whose income is one of the lowest in Canada, agree that the anti-inflation measures had positive effects on the area, the province and the whole of Canada.

My constituents are convinced that the anti-inflation controls are necessary and they already have contributed in reducing the inflation rate. Those who disapprove of this program are the leaders of large labour unions and the directors of big companies. This demonstrates the effectiveness of the program which benefits small wage-earners and hurts mostly those who want to taker over political power.

Many financial institutions in Canada as well as businessmen regrouped within the Canadian boards of trade have urged both the federal and provincial governments to reduce their expenses, without ever indicating clearly where these budgetary cuts should be made. When we travel from one end of the country to the other, we realize that our larger centers—such as Montreal, Toronto and Vancouver—are those which contributes most inflation. When considering budgetary cuts, the government must therefore make sure that all departments pay special attention to the projects which have been postponed for several years in the regions which are economically weaker and where the unemployment rate is the highest.

The right hon. Prime Minister said on his recent visit in Rivière-du-Loup that he was opposed to budget cuts in low economic growth regions by cancelling social measures. In the Gaspé region we live in an area where people are already in a position in which they cannot even contribute to inflation.

Mr. Speaker, I was delighted to hear in the Speech from the Throne that the government is also contemplating measures to make it easier for small business to gain access to financial assistance and other services provided by various departments, the Federal Business Development Bank and financial institutions in the private sector. Small businesses, managed by their owners, are the main job providers in many of our towns and villages in Gaspé. The economic structure in the Gaspé peninsula is heavily relying on seasonal activities, like agriculture, forestry, fisheries, tourism and construction. In order to make a decent living, a great number of Gaspesians have to be jacks-of-all-trades.

I therefore feel that those new assistance programs to small businesses are indeed very timely for the development of the Gaspé peninsula and all eastern Quebec. They tie in with the recommendations of the Gaspé Chamber of Commerce which states as follows in a brief dated May 1976, and I quote:

That the Department of Industry, Trade and Commerce, in cooperation with other departments, Gaspé businessmen and economic organizations of that area, set up a commission whose specific purpose would be to conduct research, to give initial impetus to the industrial and commercial development of that area of the province, and to achieve a just balance between the primary, secondary and tertiary sectors of our activities;

That more moneys in a future agreement between Quebec and Canada be assigned to the development of industry, and more particularly small businesses, with a view to making it more supple, more easily accessible, less prone to exporting profits and less susceptible to general stoppages which paralyze and check the economic activity of the whole community.

Despite numerous programs initiated by the federal government in the last few years to fight unemployment, rate of unemployment is still very high in that area. At a recent meeting of the Liberal party in Matane, the delegates proposed that the federal government implement a job creating program for several years and not only the winter months. I am proud of the new direct job creation program announced in the speech from the throne. It will be most beneficial to the Gaspé peninsula has a chronically high unemployment level.

● (1540)

This new job creation program should promote projects which are beneficial to the community. However, many organ-

izations and municipalities do not have the financial means to purchase the required building supplies and equipment to carry out projects which are necessary to the community. I thus suggest that other federal departments cooperate with the Department of Manpower and Immigration and contribute to the financing of a portion of the building supplies required to carry out some projects. We hope that some departments will make additional contributions for the development of marinas and wharfs for traditional fishing, for the construction of breakers along our coasts, and for a number of other projects which could easily fall under the direct job creation program.

Mr. Speaker, I wish to say a word about unemployment insurance. Indeed it is mentioned in the Speech from the Throne. I think it is very disappointing that some beneficiaries can hardly have their problems solved. There is certainly lack of communication between the commission staff and beneficiaries. I am sure that the staff is looking forward to help but the problem seems to be the amount of travelling claimants have to do to get information. It is unthinkable that some citizens of Gaspé have to travel 100 miles or more to settle an unemployment insurance problem. The commission will have to establish more extensive service in its unemployment insurance office on the north shore of Gaspé at Sainte-Anne-des-Monts. This is an urgent need for the constituency of Gaspé.

I should like to deal with another subject today, the parliamentary reform. We are aware that Parliament is the heart of democracy in Canada and that great progress has been made since 1968 toward concrete and positive changes to upgrade this institution which is imperfect and too close to tradition. Most hon. members want significant changes to make Parliament both more efficient and more modern and to give a new value to the role of parliamentarians. I am far from willing to sway from the principle according to which democracy must be safeguarded. But we can do it while accepting a careful planning of work for each session of Parliament, and the examination of bills can be made according to a fixed schedule, ensuring the good operation of a more rational and more efficient forum, while enabling a more humane and more intelligent participation by parliamentarians. Restricting the lenght of the speeches made by parliamentarians of all parties does not detract from the value of a debate. Very strict rules must be established in order take into account the fact that there are now four parties in this House.

Debates have become repetitive and stray more and more from the subject matter under consideration. We are here in Parliament to decide the fate of Canadians and we are wasting valuable time on debates which go on for months when they could be completed in a few days. The opposition must be granted the rights and the means to put their views forward in a thorough but not dilatory manner, thus eliminating every possibility of repeating the same elements of debate at the various stages of the legislative process. Debates must be restricted to the subject matter under consideration and the quality of speeches must be upgraded.

[Mr. Cyr.]

In a speech he delivered yesterday in Quebec City, the Leader of Her Majesty's Opposition said the following, and I quote from *Le Devoir* of October 18:

> Quebec City (by Lise Bissonnette)—It is quite clear, and Mr. Joe Clark said it in French in Quebec City: His party "will continue to refrain from proposing immediate or detailed solutions" to the present economic and language problems, regardless of all pressures.
>
> First, there is a "political reason" for this, he said; "the solutions of the fall of 1976 are not going to determine the results of the 1978 general election".

If the opposition leader tells the Canadian people outside the House that he will not put forward any solutions to the present economic and language problems, then why hold debates in the House of Commons if the opposition is only trying to criticize instead of proposing solutions? I infer from that statement that a Progressive Conservative may be defined as an economist who knows all the answers to the events of the past year.

Mr. Speaker, it is urgent to amend the procedures of the House, and particularly to find an updated voting system. It is ridiculous for parliamentarians to have to be called by a bell which sometimes rings from two to three hours before the vote is taken. What a waste of time and money for Canadians! Moreover, the whole staff of the House must wait for the vote to be over before moving on to other work. If this is what we call a productive system, Canada is in a sad way. The members of the Liberal causus have made representations to the committee responsible for studying the procedures of the House. We are in favour of negotiating the changes suggested by the official opposition. However, if it is impossible to reach a consensus, the federal government will have to act since the interests of Canadians are at stake.

In closing, I should like to congratulate in my own name and on behalf of my fellow citizens all my colleagues who have been chosen to perform very important duties within the cabinet. I should like to assure them of my full cooperation. To the hon. member for London West (Mr. Buchanan), Minister of Public Works, I wish much success in his new duties. He has already done very well early in his mandate by visiting several communities in eastern Quebec and northern New Brunswick. The efforts made by the minister to learn French since he came to Ottawa, that is since 1968, are worth mentioning in the House and should be held as an example before the other members. If all Canadians showed the same good will as the Minister of Public Works, we would not have any linguistic and cultural problems in Canada.

[*English*]

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker—

An hon. Member: How did you enjoy your weekend in Quebec?

Mr. Kempling: I had a very nice weekend in Quebec City, and it is nice to be back in the House.

Mr. Speaker, I want to add some remarks to those made by my colleagues in this debate. It has been said by several speakers in this debate that the throne speech was a rather sterile document, that in fact it did not indicate any real grasp by the government of the problems that we are facing. The

gaps in the address, the obvious omissions, were apparent to all, I think. As one commentator I heard on the day of delivery of the throne speech said, it was blander than usual. That is as kind as one can be.

Rather than deal with the language and cultural problems, as the government did extensively in the throne speech, we should have heard what will be done about the high interest rates that are being paid by Canadians. No mention was made of how we will deal with the serious balance of payments problems or how we will go about reducing them into more manageable levels. There was some mention of productivity.

We are told in the throne speech that there will be more boards, more words, more discussions, more dialogue, more advertising and more slogans. But let us get right to the point. I do not believe that Canadian workers, per se, are less productive than workers in any other country. This has never been proven. I think our workers, given the equivalent in facilities and tools, are just as productive as workers in any other country in the world. I question the scale used to determine productivity, the methods, the formula or the process of weighing one economy against another.

Look at the taxation provisions and at the government's attitude toward depreciation provisions for plant and machinery. Look at the interest rates which must be paid by industry to acquire new machinery. Examine fully and carefully the restrictions placed on corporate profits and dividends, coupled with the high interest rates, and you will see the root of the problem.

Talking about productivity will not solve the problem. The government, the Minister of Finance (Mr. Macdonald) and the Minister of Industry, Trade and Commerce (Mr. Chrétien) know the root cause of low productivity on the scales we are using in Canada. Representatives of labour and industry have stated their concerns for years. All their words fell on deaf ears.

We lack commitment to a strong secondary industrial base in this country. The former minister of industry, trade and commerce, who is now the Minister of Energy, Mines and Resources (Mr. Gillespie), told our standing committee that he did not feel Canada could develop a secondary industrial base. He later took the course which we see used by many ministers—that being more dialogue and more discussion—and finally he stated that he was going to take a sectoral approach and develop an industrial strategy based on sectors. I think he stated we may end up with 18 or 20 different industrial strategies. This is just another idea to get away from the main point at issue here. This minister and his successor, the present Secretary of State for External Affairs (Mr. Jamieson) sat in their places and allowed—

● (1550)

Mr. Gillespie: Mr. Speaker, I rise on a point of order. The hon. member referred to some positions I took in my former portfolio. I think he owes it to me and to the House to give a specific reference as to when, if at any time, in my former ministry I ever said that I was against developing a secondary industrial base for this country.

Mr. Kempling: I will undertake to go through the minutes of the meetings of the Standing Committee on Finance, Trade and Economic Affairs, and I will provide the minister with the reference. We asked him specifically about developing a secondary industrial base, and he said specifically that he did not think it was possible, that he was looking at it from a sectoral approach and that we may end up with 18 or 20 different strategies. I asked the succeeding minister if he would follow the same route. He said he was not sure and that he had not yet considered it.

Mr. Gillespie: I hope you will have the good grace to apologize when you find out that at no time did I ever make the statement that I was against developing the secondary industrial base of this country.

Mr. Kempling: I will find the reference for the minister and let him have it.

Mr. Paproski: Right between the eyes.

Mr. Kempling: It is nice to see that someone opposite is listening. It is good to see that the minister is awake.

Mr. Lachance: Keep trying.

Mr. Gillespie: We don't like the big lie technique. You hope that if you repeat it often enough we might even believe it.

Mr. Kempling: Look at the 1974 election. The government said it would not introduce controls, yet it did so. We know all about the government's big lie technique. At any rate, this minister and the succeeding minister sat in their places and watched a provision put into the AIB legislation, through a regulation, which caused research and development to be grouped in the same grouping as advertising, sales promotion and donations to charity. While this provision has now been removed, it caused a pause in research, caused many projects to be stoped or slowed down and caused hundreds of industrial projects to be shelved.

In fact, when the people in industrial research called the Department of Industry, Trade and Commerce inquiring about the AIB regulation, the people in the department were not aware that such a regulation had been put in place. We had one department imposing a regulation and another department not knowing anything about it. Perhaps the former minister would like to comment on that at some time because, as I recall, he was there at that time.

Today we hear much about technological advances in industry, yet we are looking at a working paper and proposed legislation to change the patent laws in Canada. If this legislation proceeds, it will have a disastrous effect on the development of advanced technology in Canada. It will make it difficult not only to import technology, but it will almost preclude Canadian inventors and innovators from the foreign market. If the proposed patent law is put in place, we will have

no patent legislation in Canada in ten years' time because what it is suggesting is that we go along for a ten year period and at the end of that period reassess it. However, when we read the legislation we find that what the government really wants to do is eliminate patents altogether. If the proposed legislation is enacted, the only country in the world which will have similar patent provisions will be the Soviet Union.

We have heard comments from every quarter of the economy regarding cutbacks in research and development, and we have already seen an exodus of many research projects to countries which have more favourable economic climates and fewer restrictions. If we carry the bleak research prospects which now face Canadian industry and the proposed patent laws to a conclusion, the future is not at all encouraging. The people mainly responsible for putting together the proposed patent legislation are themselves deficient. As far as I can determine, none of them has any extensive knowledge of the practical or historical aspects of patents. They have decided they are going to change our patent laws, and without consultation with patent attorneys, patent agents or the Patent Institute they have written a new proposed patent act. I understand that they have even suggested they have a priority on this, which I find deplorable.

In concert with the winding down of research funding we find the Treasury Board has issued an instruction under the folio TB Circular No. 1976-2, and this document restricts government scientists from attending non-government sponsored scientific conferences. The circular states that only one person may attend. Earlier this month—from October 4 to October 8, to be exact—the Canadian Aeronautics and Space Institute held its tenth congress in Ottawa. Between 200 and 300 prominent scientists attended and more than 60 learned papers were presented. Even though the congress was held in Ottawa, only one government scientist was allowed to attend. I, personally, find this restrictive regulation deplorable. Anyone who thinks about it will realize that one scientist cannot possibly have the time nor the expertise for every aspect of aeronautics and space, and I hope the new Minister of State for Science and Technology (Mr. Faulkner) will see fit to have this restriction lifted.

Let me turn for a few moments to the anti-inflation program. Our inflation has eased slightly this year, but let us put it in its proper perspective. Food and food prices are not inlcuded under the AIB legislation. The food cost figures which go into the consumer price index have dropped or have remained relatively stable. As we understand it, this is due to a drop in the price of imported products. However, if we remove food from the consumer price index and look at inflation in that light, we will find that our inflation rate is still 9.4 per cent, not the 6.5 per cent which the AIB is advertising. I think it is a fraud on the people of Canada for the AIB to take credit for a drop in food prices when in fact food does not come under their regulations. A drop in inflation from 12 per cent to 9.4 per cent is not as dramatic as a drop from 12 per cent to 6.5 per cent.

[Mr. Kempling.]

It is ironic that people in industry and in the scientific community can see many solutions to our economic problems, both national and international, but find they are restricted by government regulations and poorly thought-out policies or, in fact, no policies at all. At recent meetings of the OECD and the International Monetary Fund, and at the meeting called a few months ago by President Ford which was convened in Puerto Rico, the call was for stricter fiscal and monetary restraint. In fact, the IMF chairman at the conference recently held in Manila hinted strongly that unless some countries put in place monetary legislation or regulations to control the amount of money being printed, and unless they are prepared to help themselves, perhaps the IMF would restrict loans to those countries and not rush to their aid.

● (1600)

The same message was set forth in recent OECD releases and it was the theme of the conference held recently in Puerto Rico. In Canada, the printing of money in the past few years has been in the order of 12 per cent to 15 per cent annually and in the most recent period, if it has not been adjusted, it was 27 per cent on an annual basis. Because of high interest rates, serious distortions are occurring in our economy. The bank rate is at an all-time high and Canadian businessmen are being attracted to purchasing products outside Canada where interest rates are considerably lower. In fact, it is possible to finance inventory outside Canada at about half our rate.

The spin-off effect of this to the business community will be disastrous if it is allowed to continue for long. If a purchaser of manufactured goods can purchase them abroad at a price competitive to domestic production, and can finance his purchase at half our bank rate, why should he ever purchase in Canada? When you reflect upon the long term effects of this fact of business life, Mr. Speaker, you can see ahead a continuing trade deficit, a continuing balance of payments problem and a bleak future for any small and medium-sized Canadian manufacturer.

Clearly, interest rates must come down; we cannot allow them to continue at this high rate. I know of companies which can finance their inventory at fixed rates of exchange and fixed interest rates of 6½ per cent or 7 per cent offshore. They can take advantage of container shipping and bring goods in during the Seaway season for the best possible freight rate; but looked at in the long term, this spells disaster for many small and medium-sized manufacturers.

Many industries have reacted and are searching for ways to reduce operating costs. A company contacted me recently and laid before me a program they wanted to start but, because of Anti-Inflation Board regulations, they cannot. The program would increase productivity and stabilize prices and might, over a period of time, even reduce their prices. They wanted to install an incentive cost reduction program which would require the co-operation of all employees. It would not result in the loss of any jobs, but would increase productivity, improve efficiency and help keep the company competitive in the domestic market against imported competition. It was a simple

program. They targeted for a certain number of dollars a day by which to reduce operating costs. Multiplied by the number of working days in the year, it gave an annual reduction. They proposed to share a portion of the saving in the form of an incentive bonus to employees. A portion would, of course, accrue to the management. The portion that would accrue to the employees could earn some of them as much as $1,000 a year more than they presently receive.

The Anti-Inflation Board stepped in and said they could not allow it; that there was a collective bargaining agreement which brought them under the umbrella of the AIB. They were told they could not adopt this type of program because it would raise the earnings of employees above the set level. In spite of the fact that the proposal would increase the productivity of the firm, improve its efficiency and reduce overhead, they were not allowed to adopt it. That is a deplorable situation, Mr. Speaker, and it is one of the inequities of the AIB program. The portion that the company would have retained would have driven their profits above the 85 per cent level and so it caused them difficulties.

There are many subjects that we had expected would be covered in the Speech from the Throne. We were speculating on its contents before it was presented. Maybe I did not look at it thoroughly enough, but I thought, in view of the difficulties facing the country and the expected day of protest on October 14, as well as the problems expressed to me by people in every walk of life and the business community in particular, that it would be a gung ho document. I expected it would give the people some hope for an end to their problems.

Instead, we were treated to a very bland document, one that fell far short of what the government is capable of. I think they are capable of producing a better document than that, for I have a great deal of confidence in some of the people in the departments. I do not have much confidence in many of the ministers, but some of the people in the departments are very competent and I think are capable of producing a document to give the people hope that in the years ahead their problems would be solved and they would reach the standard of living they deserve.

We got a disappointing document. The only thing we can look forward to now is the budget speech. If it does not have more in it than the Speech from the Throne, then there are serious times and trouble ahead of us.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): The hon. member for Kootenay West (Mr. Brisco).

Mr. Brisco: Mr. Speaker—

Mr. Paproski: On a point of order, Mr. Speaker. I think, since the hon. member for Drummond (Mr. Pinard) has just returned to his seat, we would be glad to allow him to speak.

Mr. Brisco: Agreed.

The Acting Speaker (Mr. Ethier): Is that agreed?

Some hon. Members: Agreed.

Mr. Guay (St. Boniface): Mr. Speaker, I believe we ought to thank the opposition whip for bringing that matter to our attention and allowing the hon. member for Drummond (Mr. Pinard) to speak.

[*Translation*]

Mr. Yvon Pinard (Drummond): Mr. Speaker, I thank the hon. member for his courtesy and understanding following a temporary absence of a few seconds. I appreciate it greatly.

First, I should like to take this opportunity to congratulate the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance), the mover and seconder of the address in reply to the speech from the throne. They did their job with dignity and once again showed how well they can represent their constituents here.

I should also like to join with all those who paid tribute to our late colleague, Mrs. Albanie Morin. As we all know, she quickly won the admiration of all members in this House, and her death saddens us deeply. To her family and relatives, I extend my deepest sympathy.

With regards to the Speech from the Throne, I welcome the obvious fact that in that speech the principles that have always been the strength of the Liberal party are not only safeguarded but reaffirmed, especially with respect to bilingualism in relation to national unity, the quest for a formal constitutional independance, the reinforcement of the structure of Canadian agriculture, the fight against regional inequalities, respect for the collective bargaining, while at the same time promoting cooperation rather than antagonism, the protection of small businesses and respect of the private sector, and placing a great deal of emphasis on the fact that a notion of social conscience must accompany that of profit.

But today I should like to deal with two specific topics mentioned in the Speech from the Throne and dealing with individual freedom; first, a human rights bill, and second, the broadcasting of the debates of this House. With respect to a human rights bill, the speech from the throne states, and I quote:

> In a similar effort to remove obstacles to information and to equal opportunity, the Government will introduce a Human Rights Bill. The major effect of the Bill will be to prohibit discrimination on the grounds of race, colour, national or ethnic origin, religion, age, sex, marital status, or physical handicap. In particular, the Bill will establish the principle of equal compensation for work of equal value performed by persons of either sex. It will establish a citizen's statutory right to gain greater access to personal records in federal information banks and to correct that information when it is in error. It will also limit the gathering of personal information by the Government.

The Canadian Bill of Rights, for the recognition and protection of human rights and fundamental freedoms, assented to on August 10, 1960, states, and I quote:

> The Parliament of Canada, affirming that the Canadian Nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions; Affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law; And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a Bill of Rights which shall reflect

the respect of Parliament for its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada:

Mr. Speaker, since December 10, 1948, the day of the adoption by the United Nations of the Universal Declaration of Human Rights, there has been in many countries an increasing awareness of the necessity to legislate and create internal mechanisms to fight discrimination against individuals. In his speech for the Nobel prize presentation, Alexander Soljenitsyn said, and this is from a quotation previously made in this House:

A quarter of a century ago the creation of the United Nations raised great expectations for humanity. Alas, in an immoral world they also became immoral. These are not united nations but united governments where those who were really elected, those who imposed themselves by force and those who came to power through an armed takeover are all on the same footing. Because of the mercenary prejudices of the majority, the United Nations jealously watch over the freedom of some nations while they do not care for that of others. By an unofficial vote they refused to consider individual claims, the pleas of the individual, of ordinary people not important enough for that gigantic organization. The United Nations never tried to impose on governments, as a condition for admissibility, the Bill of Rights, *the most significant document of its 25 years of existence,* leaving the population at the mercy of governments they did not choose.

● (1610)

[*English*]

All Canadian provinces have enacted statutes respecting human rights in relation to discriminatory practices. Every provincial statute, except that of Prince Edward Island, contains provisions for the establishment of a human rights commission or, for Newfoundland, the appointment of a commissioner. The provinces have taken the lead in this field because discriminatory practices have tended to be more prevalent in matters under provincial jurisdiction in the areas of employment, accommodation and services and because so many more Canadians are involved in matters under provincial jurisdiction.

Existing anti-discrimination provisions of federal statutes and regulations are fragmentary. For example, part I of the Canada Labour Code, which deals with fair employment practices, applies to employment by organizations such as banks, railways, etc., under the jurisdiction of parliament but does not include employment by the Crown in right of Canada. There is no over-all body of law at the federal level to which persons may resort when they consider themselves to have been harmed by the iscriminatory practices of organizations or persons whose activities fall within the legislative authority of parliament. As well, there is no legislation providing for the establishment of standards on the basis of which personal information in government records is accurate, accessible to the individual and used only for authorized purposes.

[*Translation*]

On July 21, 1975, the Minister of Justice introduced in the House of Commons Bill C-72 entitled the Canadian Human Rights Act. In announcing the legislation, the minister said and I quote:

I believe that the government has put forth a comprehensive legislative measure for the protection of human rights and interests in Canada. This is a bill which should please all Canadians.

Devised to extend the Canadian Bill of Rights, this legislation has two main purposes:

1.—To prohibit discrimination in all matters within federal government jurisdiction on the grounds of race, national or ethnic origin, colour, religion, age, *sex*, marital status or conviction for an offence for which a pardon has been granted;

2.—To establish measures through which the right to individual privacy can be better protected consistent with public order and well-being.

The bill provides for the establishment of a Canadian Human Rights Commission as a vehicle for investigating and preventing discriminatory practices in areas under federal jurisdiction.

[Mr. Pinard.]

The commission would also develop information and research programs to foster public understanding of human rights and freedoms in Canada.

● (1620)

Finally, Bill C-72 authorizes the government to establish a series of guidelines providing that any file it possesses and which contains personal information about the nature, reputation, financial situation, health, living conditions and way of life of an individual be exact, put away in a safe place, open to the person concerned and used by others only with an authorization.

Mr. Speaker, on December 11 and 12, 1975, during a federal-provincial conference on the rights of man, Canada made an important step towards the ratification of three documents of the United Nations concerning the rights of man: a covenant on economic, social and cultural rights, a covenant on civil and political rights and the optional protocol accompanying it, all of them having been adopted by the United Nations in 1966; thus, the goals of the Universal Declaration of Human Rights became written down in international legal documents. It is fortunate that some paragraphs of the Throne Speech let us hope that legislation in this field will be introduced in the cause of this session.

As for broadcasting the debates of the House, the Speech from the Throne declares on page 4:

The Government and all Parliamentarians are concerned about the extent to which the average citizen is informed about Parliament. The Government wishes to provide access to the Parliamentary process for as many Canadians as possible. It will therefore seek approval to enable the proceedings of the House of Commons to be broadcast.

Mr. Speaker, to my mind, this suggestion justifies more than ever the necessity for important changes in the Standing Orders, I mean far-reaching reforms.

As most of my colleagues and particularly the preceding speaker, the hon. member for Gaspé (Mr. Cyr), and the hon. member for Papineau (Mr. Ouellet) who spoke on that subject Friday afternoon, I know that Parliament is the heart of Canadian democracy and that since 1968 serious efforts which brought concrete and positive changes have contributed to improve that imperfect institution and, as the hon. member for Gaspé said, an institution which sticks too much to tradition. It is really to be hoped, Mr. Speaker, that another important phase will be covered to modernize the House of Commons and make it more efficient and also to enhance the role of parliamentarians.

I do not intend to make an exhaustive or academic study of the activities of Parliament. Indeed since 1968, the members can increasingly take part in the drafting of legislation; as an example, between October 8, 1970 and February 16, 1972—because statistics are available—21 committees of the House of Commons were set up and held 900 sittings. They called 2,751 witnesses and the record of their interventions make up over 30,000 pages.

I proceed from the ideal principal that a careful planning of the proceedings of each parliamentary session and the passage of bills according to a determined agenda ensure a more rational and efficient tribune while making the role played by

parliamentarians more humane and intelligent. I do not forget on the other hand that it is surely necessary to recognize to the opposition the right and the means to make its views known thoroughly but not in a dilatory manner and I would like to suggest substantial technical amendments which are however a safeguard for democracy.

The main grievances I have with respect to the Standing Orders of the House of Commons are as follows: First, unwarranted repetition of the same elements of discussion. Second, more often than not debates are impressed with partisan spirit rather than valuable or constructive criticism, hence we have far too many digressions in speeches. Third, we make improper use of the time and means put at the disposal of the opposition in the course of the various stages of consideration of bills in an attempt—often admitted—to prevent or unduly delay passage by a majority government; that is called "filibuster". Fourth, I find there is the highly abusive restraint of continual and too often useless physical presence in the House of Commons, making it impossible for the member to plan soundly and carry out effectively the diversified tasks which he or she could or should undertake. Fifth, a disorderly and overly exhaustive schedule of parliamentary business deprives the member from an essential and valuable presence in his riding and with his family. I submit that the implementation of the following principles is necessary if we mean to have a workable reform.

The first principle is that we must in fact

(a) recognize that tbe opposition is entitled to have the right and means to make its views known, in a thorough and immediate manner, by eliminating the opportunity to reiterate the same arguments at the different stages of the procedure, bringing back the discussion to relevant points and thusly improving the quality of the debate.

The second principle which, in my view, is valid is the following:

(b): Carefully plan the member's presence in the House of Commons to make a more effective schedule possible.

Lastly, the third principle that we should adopt if we wish to make sensible improvements is as follows:

(c) Establish a well ordained parliamentary schedule which would permit hon. members to carry out their political duties away from Parliament Hill and live a more normal family life.

Mr. Speaker, as a suggestion for the administration of these guidelines, I propose that the House adopt the following changes which are not restrictive in any way.

First of all, concerning the business hours of the House of Commons: in my humble opinion, the House should sit every day, except Monday or Friday, from 2 to 6 p.m., and then again from 8 to 10 p.m. This echoes the suggestion the hon. member for Papineau (Mr. Ouellet) made in the House last Friday to limit the number of working days in the House to four. Once again, and I do not wish to repeat what I have said, I want to practise what I preach, follow the guidelines and meet the grievances I indicated previously.

As to the vote, when possible I think it should be deferred to a fixed date and to a determined time, except for urgent matters. Speeches should be limited to 15 or 20 minutes for each speaker, except for the official spokesman or the first speaker of each party who would be allowed 30 minutes.

Concerning private members' hour, I propose that it be held every second Wednesday night, that is from eight to nine o'clock and from nine to ten o'clock, with the vote, if any, deferred to the day and date determined for that purpose. As to opposition days, they should be established according to a parliamentary schedule.

The debates relating to the Speech from the Throne and to the budget speech should be reduced to sittings of six days for the Address in reply to the Speech from the Throne and five days for the budget speech.

Most important of all is the parliamentary schedule. Each session should end June 23 at the latest, the eve of Saint John the Baptist's Day, the day of French Canada, until the day following Labour Day, that is at the beginning of September.

Having regard to debates on government bills, I propose a standing committee of parliamentary leaders to determine a time schedule for the House and the committees with power being granted to the government to impose its decision whenever an agreement is impossible. Recourse to this closure rule should be debatable by only one speaker for each party with a 30-minute time limit in each case.

In addition, we should limit to 10 minutes the speech delivered by the mover of an amendment put a second time at the report stage and to 10 minutes the speech of the governments's speaker.

Mr. Speaker, failure to raise quorum should bring the adjournment of the House only after the bells have rung for ten minutes to call members.

I think it is absolutely ridiculous, as I noticed it happened once last year, that because there is one member missing in the House to have the quorum, the House should lose precious hours and adjourn until the next day to resume its business. I hope this unfortunate experience will not occur again. It is not the fault of one party in particular, but I think that a minor change in the Standing Orders would prevent a new occurrence of a ridiculous and obsolete situation. Upon noticing that there is no quorum, we should ring the bells for ten minutes to call the members. As for the question period, I suggest that government members should have the same privileges as those extended to opposition members.

Finally, I will say a word about the committee of the whole. The votes on the consideration of each clause should be deferred and held at the same time. On various matters, I agree that the Speaker should be severe and not hesitate to intervene when the discussion departs from the subject under consideration. I agree with the suggestions that a special committee be set up for second reading of all bills that are acceptable to all parties, and also that the order paper should be simplified and made easier to understand. As for the

standing committees, their membership should be limited to a maximum of 20 and quorum reduced to seven.

Several changes, Mr. Speaker, were discussed by the Standing Committee on Procedure and Organization, committee of which I am a member and on which I sat for five days during the summer break before Parliament came back last Tuesday. Because there is pressing need for those changes, committee members agreed to submit them for discussion to their respective caucuses in the next few days. Those changes are not necessarily all included in those I have just mentioned, but several of them, which were discussed and met with the general approval of the committee, are among those I have just talked about. I believe circumstances will justify those changes and if they are well explained to Canadians the latter, in all logic, will see that they are in their interest and that they will in no way affect true democracy.

Once again, Mr. Speaker, that parliamentary reform is urgent, fundamental and necessary. We will soon know where we stand with regard to the attitude of the various political parties towards the negotiated changes. I trust petty politics will be set aside to achieve a procedure truly worthy of a Parliament at once modern, humane, efficient as well as interesting, because I have just included all speeches on parliamentary reform in my argument on televising our debates. It is important that our Parliament should also become interesting. Concerned about offering the Canadian public both objective information of the business of Parliament and reports interesting and worthy of responsible public men, I feel that this parliamentry reform would justify televising the debates of this House, as suggested in the Speech from the Throne.

● (1630)

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I am sure that others today have recognized the fact that this is one of the first occasions upon which, as Assistant Deputy Chairman, you have taken the Speaker's chair. I have been absent from the House and in my riding for a couple of days and this is the first time I have seen Your Honour presiding over our debates. I should like to extend my best wishes and those of Kootenay West.

Some hon. Members: Hear, hear!

Mr. Brisco: Having said that, and bearing in mind that it is our responsibility to debate, discuss and comment on the Speech from the Throne, may I say in summary that all that needs to be said about it has already been said by our leader.

An hon. Member: Too narrow.

Mr. Brisco: I hear a comment from across the chamber to the effect that it was too narrow a speech. The only thing that is narrow is the vision of the hon. member who made that remark. As a relatively new member from British Columbia, I have reviewed the Speech from the Throne with some care. I must say that in an area of concern to many Canadians it caused me a great deal of agony and some soul-searching. I feel I am obliged to comment on one of the first points made in that speech:

> Since 1968 the policy of official languages, supported by all parties represented in parliament, has been based on the principle of equality and on the right of Canadians to speak English or French according to their own will. An essential consequence, agreed by parliament, is that the federal government provide services in the two official languages in the national capital and wherever else there is sufficient demand for such services.

I call attention to the use of the word "policy" in that statement. Mr. Speaker, that policy is not supported by this member. In fact, it is not supported by a large number of members who sit in this House. It is not the policy which we support; it is, rather, the principle. We have no difficulty living with the principle, but when we see a policy of the nature we have seen so far we cannot but recognize that it is divisive and the subject of bitter debate across Canada. How can I associate myself with that type of federal bungling? When I sit in caucus and listen to the comments of our Francophone members and compatriots, one of my greatest embarrassments is that I cannot understand what they say.

Miss Bégin: Don't you have simultaneous translation in your caucus?

Mr. Brisco: The hon. lady is trying to be funny in a moment of seriousness, and I resent that remark.

Miss Bégin: I wasn't trying to be funny at all.

Mr. Brisco: With the aid of our translation service I have an opportunity to listen to what the Francophone members of our caucus say, but I am not bilingual and I regret it very much. I regret the fact that the previous member for Kootenay West left such a lot of work to be done that I have not had time to devote myself to the study of the other language. Nevertheless, during my brief stay in Ottawa I have come to recognize at least some of the factors involved here.

I think it is incumbent upon me, as a westerner, to spend more time in the province of Quebec. I have heard those who say, "Don't go to Quebec because you will not be welcomed; they will not speak English to you." That is simply not true. Some of the most enjoyable days I have spent in eastern Canada have been spent in Quebec. Those who live there are fine, courteous people, no different in that respect from westerners. They happen to speak a different tongue. That is not the problem; it is a question of priorities. When the government thrusts into the face of the westerner matters which are not of immediate importance to that part of Canada, then it is in trouble.

It is not the principle, it is the policy that is wrong. Of course, there is nothing new in this. It is a policy of confrontation. Ninety-five per cent of the bills one could mention, bills introduced last session, had to do with confrontation—confrontation with labour, confrontation with industry, confrontation with the provinces. That is the history of the government's attitude. They know nothing about the word "consultation". They don't know what the word "consultation" means. I want those on the other side to understand that we in western Canada will do our best to solve the problem of bilingualism.

When the Conservative party comes to power we shall address ourselves to this question. We will never pull the fortunes of the country into wasteful programs. We will address ourselves to the situation as it really is. If there is one sentence in the speech in which the government shows some understanding of the problem, it is when reference is made to their readiness to spend a few dollars at the post-secondary level and in the area of post-secondary education, the area in which it will be most effective.

Canada is a diverse country, says the speech, and unity can result only from a recognition of that diversity. I am pleased the government is able to recognize that fact. They go on to say that unity can result only from a recognition of that diversity, and not from any attempt to impose rigid uniformity. What else is the bilingualism program but rigid uniformity? That is the government's problem—rigid uniformity and confrontation.

● (1640)

Enough of that, Mr. Speaker, I should like to move on. I notice there is talk of continued reduction of inflation and the creation of many more employment opportunities for Canadians, that they will continue to be the government's highest priorities. I find that very interesting. One of these high priorities was manifested this year with LIP funding to various provinces in Canada. Last year the riding of Kootenay West received $608,000; this year it is down to $297,000.

We will hear from the other side the story that that is part of the government's restraint program. The problem with this government is that it restrains in the wrong areas. On the one hand the government says it will address itself to job creation in certain areas and help resolve unemployment, which is standing at around 7 per cent. But what does it do for starters? It cuts back the very program that addresses itself to those people who can perhaps at times be classified as "unemployed unemployables". The LIP program is reduced by 50 per cent in Kootenay West; it is reduced by enormous sums in other ridings. Is that the government's instant solution?

An hon. Member: Let's hear yours.

Mr. Brisco: Did not the minister read the throne speech? Surely he knew what was coming. I wonder whether the voice I hear over on the other side, which seems to be grumbling in the background, would mind waiting until I have finished my speech, when I will be pleased to answer any questions. In the meantime, why doesn't he just pay attention for a change? I wait with hopeful anticipation, but with a great deal of doubt, suspicion and negative thinking, so far as the job creation program of the government is concerned.

There are some very capable people in British Columbia who have been involved in the Outreach program. I would think there is hardly a soul on the other side who has ever heard of the Outreach program, but it happens to be one of your babies. It was doing a credible job in Kootenay West and on the lower mainland, but the government cut it back. It was reduced on the lower mainland and eliminated in Kootenay West. Is that part of the government's job creation capacity? It is just an example of the record of an inadequate government. If hon. members opposite would listen to some of the experts for a change they might come up with something concrete that would carry itself through the scene. But unfortunately they plan, they scheme, they develop, and then they bring things to a halt.

Moving to another area, Mr. Speaker, I notice that the government indicates that it is going to support private industry in meeting greater international competition. What the government says is very interesting. It says it will modify substantially its industrial assistance program. I should like to refer to one area in which the government should modify its industrial assistance program. Let me start with DREE and with one particular DREE grant to the province of Quebec in which $5,970,000 was given to one industry to create 220 jobs. That is very commendable. It just so happens that this sum of $5,970,000 granted to one industry in Quebec is just a shade over the entire sum that this government has put into the province of British Columbia for industrial development. The DREE program has spent $5.7 million in British Columbia, and the government has the guts to come up with another $5.9 million for one industry in the province of Quebec. What industry is this, Mr. Speaker? It is SKW Electro-Metallurgy Canada Limited. The company is a subsidiary of a German company, which I wish I could pronounce but my German is as poor as my French, Suddeutsche Kalkstickstoffe-Werke A.G., of West Germany.

That gives a real indication of the government's intention to support private industry in meeting greater international competition, Mr. Speaker. It gives $6 million to a German firm to establish in Quebec at a time when Germany is probably the strongest economic nation in the world, second only to the United States. Yet this government, in its largesse and its woolly-headed thinking, makes a grant like that!

How does it excuse its actions to the province of British Columbia? What is the minister responsible for DREE saying to the province of British Columbia and to B.C. members of parliament? Last week it was, "Well, we are going to put in a mining program". Next week it will be something for agriculture and the week after that it will probably be something for forestry. The fact remains that the entire DREE budget for next year in the province of British Columbia is $10 million. Planning in the province under the DREE program requires more than $50 million, and I derive that information from the DREE experts, people who know their business. This government does not know its business. I should like to hear the minister explain by what stretch of the imagination he can justify a $6 million grant to a German firm to establish one industry in Quebec when at the same time he has spent less than that in the whole of the province of British Columbia ever since the DREE program was implemented.

That, Mr. Speaker, is the kind of tokenism that we have had from DREE, and it is what I mean when I talk of western alienation. That is only one of a hundred examples. Yet the government just does not hear. It does not get the message

because it has its earmuffs on. I hope that by the end of the day the government will have a clear message from the ridings of Ottawa-Carleton and St. John's West.

I also notice that the government, in its wisdom, has said it will introduce measures to assist small business by improving local access to financial assistance and other services provided by the federal departments. Mention is made of the Federal Business Development Bank. What I should like to ask is, how small is small business? Is the government talking of a $100 million business, a $1 million business, a $50,000 business or a $25,000 business? Is it talking about the corner druggist who wants to establish in a small community that does not have a drugstore, or does it refer to some big industry?

I will tell the government one thing it does not know about small business—or perhaps one thing that it does know. Let me tell them that they are a bunch of cynics. I say that because when the hon. member for High Park-Humber Valley (Mr. Jelinek) was given responsibility by the leader of this party for addressing himself to the problems of small business in Canada, what did we hear from the other side of the House? Hoots, jeers, roars and laughter. They thought it was the biggest thing since Mutt and Jeff; they really thought it was a laugh. They treated the hon. member for High Park-Humber Valley with nothing but cynicism, and being a typically cynical government they now smilingly introduce their program for small business and to create a new, minor industry. The people of Canada will have the record laid before them as it unfolds—the promises of this government, the distortions of this government, the shallow rhetoric of this government. Whether it is small business, amateur sport, big business, DREE, transportation, health—you name it; the record is there and Canadians can surely perceive it.

While I am talking about the Federal Business Development Bank, businessmen in my community say to anyone who is looking for money, "You want us to bankroll you, and you say you have been to the Federal Business Development Bank. Well, we really cannot do much business with you if that is where you have been". The reason is that in British Columbia and in many areas the federal development business bank is regarded as a court of last resort. Surely the interest rates reflect it. If it is the intention of this government really to address itself to the serious problems in respect of funding small business, then I think it should do so at a greatly reduced rate of interest.

● (1650)

The next area which concerns me deals with safety. With Bill C-83 the government intended to establish a whole new bureaucracy which would cost the taxpayers millions of dollars for a woolly-headed bill in respect of gun control, a bill that was so idiotic and misconceived that the government really, I think, was afraid to introduce it for third reading. If it had meant that much to the government, the government would have continued the session for a couple of weeks in order to deal with it. But now we will never see Bill C-83 again. The government will bring in another mutton-headed bill of similar ilk.

Now we see that the government is to delve into another area. I wonder who the government is trying to cozy up to. An industrial safety and health centre is to be established to assist companies and workers in their efforts to identify and remove hazards. That sounds beautiful. It really is nice. But I think, Mr. Speaker, if you examine the record you will find that the provinces of Canada are well ahead of the federal government in this area and that the provinces have developed the expertise. If it is the federal government's proposal to complement the research and studies of the provinces, I have no difficulty with that; I support it. But if it is to be a repetition, a side-by-side bureaucracy to spend more taxpayers' dollars on a useless project, then what is the sense of it? I hope the government has its priorities squared away.

I note, also, that as a further element of the government's food policies, measures are to be introduced to make more farm-stored crops eligible for advance payments and that the government will also work with the provinces and farm organizations to strengthen the structure and productivity of Canadian agriculture. That is just like apple pie; it is just sweet words of rhetoric. We are to strengthen the structure and productivity of Canadian agriculture. Meanwhile, back at the ranch, unbeknown to this government apparently, there is a program called MSQ, "milk subsidy quota." They are now busy penalizing the farmers in the various provinces who produce our milk.

A couple of weeks ago, in the province of British Columbia, the dairies were out of milk because the farmers are being penalized for overproduction. What is happening? The dairy herds are being reduced. They do not like this penalty. The Minister of Agriculture (Mr. Whelan) now is taking away what he had given them. He is robbing Peter to pay Paul. Who is suffering? The dairy farmers and also the end purchaser. The local dairies have an excellent cheese factory in British Columbia. This year it has operated, I believe, for a total of three days. Why has it not operated for a longer period? Because this government wants to import a large proportion of its cheese. Because this government established an MSQ program which reduced the amount of milk, so that there are no milk by-products available to this cheese factory.

Of course, the government could not care less because this factory employs only 20 or 30 people. So why worry! If British Columbia happens to be short of milk for a few days, then I suppose it is assumed the milk could be obtained from Alberta. Alberta does not have any to spare. The MSQ program is a farce and a laugh, and there is not a farmer in British Columbia who would support this Minister of Agriculture.

First we had the Minister of Agriculture with egg on his face. Now we have him with milk in his veins, and finally we have him with some potatoes in his brain. He recognizes the fact that American potatoes are coming into British Columbia, but he is not prepared to impose any sort of a tariff because the potato farmers of British Columbia are facing ruin. He will look at the program in a few months' time to see what the

imports were, and balance out what the farmers of British Columbia have left over in the way of potatoes. He has not told us what to do about the potatoes that are already there. He has not told us how to get rid of them or how to sell them. He is not prepared to protect the Canadian producer.

If he were prepared to protect the Canadian producer, he would have some answers for those people in British Columbia who grow tomatoes, tree fruits and soft fruits who see on the shelves those tomatoes, tree fruits and soft fruits from South Africa, New Zealand, Australia, Taiwan, Formosa, or wherever. This imported produce appears on the shelves at much lower prices. The farmers of British Columbia cannot compete with those prices. We will have smaller orchards, fewer producing farmers, a weakened agriculture, and when they have gone belly-up, then watch the prices of those canned goods from those foreign countries escalate in price on our shelves. Who will be to blame? Well, we know who is to blame. It is the ill-informed Minister of Agriculture who sits across the House and who today disposed of the cattle industry in a brilliant statement which in my view, and in the view of our agricultural critic, displayed his unfeeling and uncaring attitude toward the cattle industry of Canada.

In any event, the government carries on and talks about the fact that it is going into a position of co-operative restraint with the provinces on education, medical insurance and hospital insurance. "Co-operative restraint" is a beautiful phrase. That is a two-word summary of the confrontation of this government with the provinces of Canada and the issue of Bill C-68, a bill which this government in the last session had to get through the House by means of closure. They refer to it as co-operative restraint. What a laugh!

I can tell you, Mr. Speaker, that the hospital board in my community does not think very much of the government's co-operative restraint, because already the pinch is being felt of the cutbacks of this government and those it has yet to implement which are already being felt by the medical system in British Columbia. However, the government dispenses with that little problem with two beautiful words, "co-operative restraint".

The government then goes on to talk about affordable housing. That is also very interesting. In British Columbia, in my riding, there is a very successful program called "rural and remote". A lot of AHOP homes are being built under the AHOP limits, but in my riding the AHOP limit is $33,000. With that limit of $33,000 one is lucky to find property on which to build under the program. If people do build, they are very lucky to be able to build within that AHOP limit. When they end up with a structure of 980 or 1,000 square feet, it really is not adequate for a family of four, five or six persons. Yet in another area of British Columbia, where the cost of construction is much lower and where the price of property is much less, this government, in its wisdom, establishes an AHOP limit of $38,000 so the homes have all the frills one could wish and are greater in dimension. They have one and a half bathrooms, a fireplace, a carport and a full basement. That is just great, but there is a mixture of priorities and again a lack of co-ordination with the province. In another area of the province the land is available if the federal authorities can get it from the provincial government. Houses are needed there. The government of British Columbia holds the land, but the federal government cannot address itself to securing any of that land for the construction of houses.

• (1700)

Another area of concern with these AHOP homes is the lack of a careful determination of the quality of occupancy of these homes. A vast majority of the tenants are good tenants, but there are also undesirable tenants who have no concept of the value of the property they occupy and in two years they make a brand new home look like a 60 year old shack. I suggest that some thought should be given to that problem, that perhaps what the government should consider is a rental purchase program so that the condition of a home can be checked after it had been occupied for some time to determine whether or not the occupant is a responsible buyer or whether we are in fact subsidizing a family which does not look after the property. Certainly I do not care to see good money thrown after bad. When we see some of the problems that arise with AHOP homes, it becomes obvious that the minister should take a second look at them.

Something else astonishes me in the Speech from the Throne and that is the fact that a total of only five lines, which in the view of the government constitutes a paragraph, is devoted to the largest single cultural, social and economic problem in Canada, namely, the native people. At the end of the five lines the government states that it will introduce some kind of bill dealing with James Bay. That is the kind of tokenism that we have learnt to expect from this government. No reference is made to a housing program for the native people, or to land settlements.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with unanimous consent. Does the hon. member have the unanimous consent of the House?

Some hon. Members: Agreed.

Mr. Brisco: I will try to be as brief as I can, Mr. Speaker. If the government attaches continuing importance to the aspirations of Canada's native peoples, as it has said it does, it could have devoted more than five lines to those problems.

Another area of concern is the fact that the government has also given short shrift to amateur sports. The only sensible move by the government was to appoint a responsible cabinet minister in the person of the charming and lovely hon. member for Skeena (Mrs. Campagnolo).

Mr. Goodale: Hear, hear!

Mr. Brisco: She is one of the few competent people in an incompetent cabinet.

Mr. Benjamin: You are neither lovely nor charming, Ralph.

Mr. Brisco: We had a critic of amateur sports long before the government created the ministry, namely, the hon. member for High Park-Humber Valley. What did the government members do? They sneered at the hon. member and said this is a laugh. Since we are discussing the various areas of concern of the government let me refer to the Little League from Trail, British Columbia, who became Canadian champions this year. To the finals in Sherbrooke, Quebec, they defeated the Little League from Toronto. It could not have happened to a nicer team. Nevertheless, it is unfortunate in my view—and perhaps it shows up a problem which we have in western Canada as well as in eastern Canada—that some dissatisfaction was voiced by some of the parents of the members of the Little Leaguers. They came to me and told me that at a banquet for the Little League team on Saturday night, as well as during the entire time they spent in Quebec, all the programs, all the literature, and everything pertaining to the four anglophone teams was in French. They did not understand anything that was being said. Surely they could have been accommodated.

Miss Bégin: Are such programs in French in your city?

Mr. Brisco: In my city the principal languages are Italian, Russian, and English.

Miss Bégin: In Quebec it is French.

Mr. Brisco: I am sure that had the Sherbrooke team been in Trail we would have made an effort to establish a bilingual relationship instead of a unilingual relationship. I only point this out to show that this is a symptom of an underlying problem. The hon. member opposite cannot accept that. She is waxing eloquent about the problem.

Miss Bégin: Sherbrooke is a French speaking city.

Mr. Brisco: I suggest that the hon. lady withhold her remarks until I complete mine.

I notice also in the throne speech an indication that the government will address itself to the protection of children. I was fortunate enough to have been a member of the Standing Committee on Health, Welfare and Social Affairs during the period when we reviewed much of the literature and information concerning child abuse across Canada. I think it should go on the record that this issue was brought before the committee at the insistence of the hon. member for York-Sunbury (Mr. Howie). I am sure that members on both sides of the House recognize his valuable contribution in bringing this issue to the attention of members of the House. I hope that an effort will be made to co-ordinate a system of review all across Canada so that a record can be kept of child abuse cases. In the case of a chronic child abuser, or the case of a family who abuses children moving from one province to another, contact can be maintained with them so that if new violations occur they can be controlled and a record kept in order that these people cannot escape the law by moving from one province to another. Of course this is only one aspect of child abuse; the others are more of a social nature.

[Mr. Benjamin.]

I note also that in the throne speech the government has addressed itself to nuclear arms in a very cynical fashion. Enough has been said on this subject by members of our party so that I do not need to comment on it more except to reinforce what has been said.

I note also that the government intends to take action in the matter of government secrecy. I have to laugh at that because recently in the press we have seen many references to government secrecy. We see that the former hope of the Liberal party, John Turner of all people, spoke about government secrecy and about how bad it is. By God, there is a fellow who should know. That white knight was the expert on government secrecy when he sat in the House. He was an expert on a lot of things. He was the fellow who led this country into the biggest periods of inflation we have ever known. He was the brain behind it all. But there he is in his ivory tower in Toronto saying, "Naughty, naughty. This government's income and price control is all wrong. If they had followed my direction, it would have been different". Bring this expert back. We would be pleased to deal with him.

Mr. Guay (St. Boniface): Do you want him to continue doing that?

Mr. Brisco: It does not matter what he does; he suffers from a credibility gap that is as big as this House.

Mr. Douglas (Bruce-Grey): Look at who is talking.

Mr. Brisco: I thought the hon. member for St. Boniface (Mr. Guay) would like a qualified and valued opinion, in view of the quality of my remarks.

● (1710)

Mr. Guay (St. Boniface): Haven't you got anything to say?

Mr. Brisco: Mr. Speaker, I wonder if you would do something about the hon. member for St. Boniface. He is running off at the mouth, and I would like to wind up as quickly as I can.

Mr. Guay (St. Boniface): At least I say something; you don't.

Mr. Brisco: The government should finally get around to one area which is of importance to me and to the people of British Columbia. The government talks about equal opportunities for individuals, and regional economic fulfillment. That is interesting, but I would like to know what its idea of economic fulfillment is. I would also like to know what its idea of regional unemployment is. Is the government talking about a province, a county, a town, or a regional district?

In Kootenay West there are some urgent needs to address to DREE. We are interested in a mineral study, and a water supply from the Columbia River. We are concerned that the city of Trail and the city of Castlegar have to spend over $500,000 this year to put in water wells. We are doubly concerned when we see that the province of Saskatchewan has a water treatment plant coming up for Unity, Saskatchewan,

under the DREE program. Of course the announcement was made by the former parliamentary secretary to the minister of regional economic expansion, which figures.

Mr. Goodale: A fine member.

Mr. Brisco: He was looking after his own back yard, and Unity, Saskatchewan, is to get a $500,000 water treatment facility.

Mr. Benjamin: They would't let me make the announcement.

Mr. Guay (St. Boniface): We can understand that.

Mr. Brisco: We are also concerned about the southern transprovincial highway. We are concerned about special ARDA for B.C. The lower Kootenay Band sits on some of the most valuable agricultural land in British Columbia. That is part of their reserve. On two occasions they addressed their concern to special ARDA. They wanted money to develop the hay land. They wanted money to establish a cattle farm. What did special ARDA say? It told them that they did not know what they were talking about; that they did not know anything about cattle or about farming and that they did not even have the proper land for the project. That pronouncement was made from an ivory tower in Vancouver, and nobody bothered to go out there.

Only recently, as a result of my own personal efforts, somebody came up there to look at it. That person had some sense of feeling and judgment, and wondered why nothing had been done. This is some of the finest agricultural land in the province, and he wondered why we were not developing it. The reason was that special ARDA did not think it was worth while developing.

In conclusion, the government says it is going to resolve regional problems. There is no way the members of this government will do that by sitting on their butts in ivory towers and not getting out into the areas and identifying regional problems. They have been talking about regional problems in the Kootenays, in the northwest part of B.C., in the northeast part of B.C., in Newfoundland and in New Brunswick, but thus far only in the Maritimes has the government been able to get out and identify these problems. The government expects the people from the areas affected to tell it what the problems are and then to sit back and wait for the government to act. We have gone that route so many times that we are sick and tired of it.

The riding of Kootenay West was designated for special funding for industry. That designation was removed last year, and there has been nothing to replace it. The government has not spent a dime in the province of British Columbia under DREE for the past year except to operate its office in Victoria. That is the extent of the concern of the government. That is the extent of the government's skill and management in regional development. The government has the power right now unilaterally to provide industrial incentives to the province of British Columbia without consultation with the province if it cannot get agreement. My feeling is that the province of B.C. would not be offended at that particular approach, but will the government take that approach? Actions speak louder than words. I will have an opportunity again in this House to discuss my concerns about DREE.

I have many more concerns about DREE policy. I am concerned about divisiveness, unfairness, the treatment afforded to certain areas, favouritism in other areas, the total ignoring of certain areas, and lack of planning. There will be opportunities to expand on those concerns, but I am serving notice that the government has an opportunity right now, if it wants to, to do something for the province of B.C. and unilaterally to introduce incentives for new business and industry. I do not say that that is the best route to take, and I do not recommend it as such, but it is a route, and it would do something for the economy of that province.

If the government is listening, the evidence should be clear in a matter of a few months. If it is not, hon. members will be hearing a lot more from me.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker—

Some hon. Members: Oh, no!

Mr. Benjamin: I am pleased to note that my colleagues on all sides are anxiously waiting for my remarks. I want to dwell mostly on the questions of agriculture and national transportation, and the political positions of the Liberal and Tory parties on those matters, but first I would like to say that I feel inclined to repeat some remarks I made about a year ago.

Some hon. Members: No.

Mr. Nystrom: Same old speech!

Mr. Benjamin: Since only the members of my own caucus chose to pay any attention to them, I will have to repeat them until we can get some hon. members on the government side at least to listen.

I will have to repeat what has been said by parliamentarians at all levels of government on many occasions. Many times, on occasions such as throne speech debates, hon. members have complained not so much about what was in the throne speech but about what was not in the throne speech. I am disappointed in the throne speech debate, and that is putting it mildly. I should have said the throne speech. Of course I am disappointed in some of the debate as well. I am disappointed in the throne speech for what it leaves out. It left out some things which would have received support from all sides of the House.

There was nothing in the throne speech for old age pensioners or veterans. In fact had the government decided to implement its anti-inflation program more fairly and equitably, even a year later it would have brought in measures to make the program not only seem to be fair but also actually to be fair.

The government should have announced in the throne speech that legislation would be presented to raise old age and

veterans' pensions and armed forces and RCMP pensions by a minimum of $50 per month to make sure they received the minimum under the guidelines of $600 per year, but the government, some of the time with the aid and countenance of the Tories, feels that the people who cause inflation are those who are on pensions, on minimum wages, on low wages and on low salaries.

If we are to have a program to control inflation which is fair and equitable, it seems to me and to the members of the New Democratic Party that the program should start at the top and work down. However, with the usual organizational genius of the Liberal government we have a program which starts at the bottom and works up. It seems to me that the throne speech should have announced a $50 per month increase at least for old age pensioners. I thought it would have announced an intention to raise the minimum wage to $3 an hour. This would have given people a $600 a year increase which would come under the guidelines. However the government, with not a word of complaint from the Tories, let it be known that it felt it was the people on minimum wages who are causing inflation and so they should be held down.

• (1720)

I am proud to note, and I know the hon. member for Assiniboia (Mr. Goodale) is happy about it as well, that the provincial government of Saskatchewan increased the minimum wage by $500-$600 a year. Now I should like to know if this government proposes to increase the minimum wage in the near future. The Liberals and the Tories seem to believe that the people on minimum wages helped cause inflation and so they have to be controlled.

I had hoped that the Speech from the Throne would mention a reduction in mortgage rates for people on middle and low incomes. If the government wanted to fight inflation and housing costs while at the same time doing something about unemployment it would have provided a substantial reduction in interest rates for low income people. This would have accelerated housing construction, which in turn would solve some of our unemployment problems. An interest rate of 6 per cent, 7 per cent, or 8 per cent for housing for low income families would have reduced the cost of housing and at the same time have increased employment.

Something that is dear to my heart, Mr. Speaker, and to the hearts of hundreds of thousands of people in western Canada is the strengthening and enlarging of the Canadian Wheat Board, but again it was not mentioned in the Speech from the Throne. There was nothing about returning feed grains to the total jurisdiction of the Canadian Wheat Board or putting flax, rye, and rapeseed under its jurisdiction.

Mr. Goodale: That was turned down in a vote by farmers.

Mr. Benjamin: The hon. member mentions that that was done away with. That was done with a phony stacked deck by the minister in charge of the Canadian Wheat Board, believe it or not. This is demonstrated by the three questions that were on the plebiscite. There was provision for the answer "no opinion", and the minister counted that as "against".

Mr. Goodale: There were not enough in that category to change the vote; less than 2 per cent.

The Acting Speaker (Mr. Turner): The hon. member for Regina-Lake Centre (Mr. Benjamin) has the floor.

Mr. Benjamin: Thank you, Mr. Speaker. I can hardly wait for the hon. member for Assiniboia to get into the debate.

Mr. Goodale: I am in it.

Mr. Benjamin: He is in it, but under false pretences—through the back door. Mr. Speaker, that kind of phony plebiscite will never convince me and most producers in western Canada that it was the fit and proper way to get the opinion of grain producers.

Like the majority of grain producers in western Canada I should like to see an announcement in the Speech from the Throne that the government will do away with the flexible tariff for the handling and storing of grain. I was hoping for an announcement that the country elevator grain handling system owned by the grain producers in the three prairie provinces, the three prairie wheat pools, and the UGG which constitute something like 80 per cent or 95 per cent ownership of the country elevator system, would be protected from the destructive nature of inland terminals and the unconscionable activities of outfits such as Cargill Inc.

I was hoping for something about the enlargement and rebuilding of our passenger train system, but there was nothing.

As I travel through the west droves of people tell me that the Liberals have little or no support there. That is not surprising. If I were political, which I am not, I would be encouraged when people in Saskatchewan, Manitoba, and Alberta ask me what the Tories are doing. They want to know why the Conservative Alberta government came out strongly in support of inland terminals. A fair number of farmers in the three prairie provinces who belong to the three pools of the United Grain Growers are unhappy about this. In fact in the brief submitted to the Hall Commission by the Alberta government they supported the concept of inland terminals on the basis of increased competition, improved grain handling, and further rationalization of the outdated elevator system. I am sure, Mr. Speaker, that the Alberta wheat pool will be glad to hear that their system is out of date.

The Alberta government wants incentives for the inland terminals. But who are those incentives really for, Mr. Speaker? I know Your Honour will want to hear this, even if my friends to my right and across the way do not. One of the outfits the Tories wanted incentives for is Cargill Inc. That company has been around since about 1881—as long as the CPR, and it is just as bad.

Back in the 1870's, 1880's and 1890's Cargill in many cases controlled the only elevator at major railroad stops, and so

local farmers were often forced to accept the price they offered for their grain. Railway owners and grain elevators such as Cargill sometimes conspired to fix grain prices, and by the 1880's Cargill operated along major railway arteries in five states—North and South Dakota, Iowa, Minnesota, and Wisconsin. Even Cargill's official historian admits that—

An hon. Member: Stanley.

Mr. Benjamin: Even Stanley is not that old. Their historian admits that the company held monopolistic trading positions in southern Minnesota and South Dakota.

Let us go on about this outfit to which the Tories and the Alberta government want to give incentives. In recent years Cargill Inc. have gone into what is called in the United States "subterminals". In western Canada they are called "inland terminals". In recent years these subterminals have assumed a special role in the company's expansion. They are able to handle large volumes of grain in relatively short periods of time. These inland terminals are used by Cargill—and I want to impress this point on the hon. member for Assiniboia and my Tory friends—to bypass country elevators that are often under the control of local co-operatives. And, like other large corporations that are under monopoly capitalism, Cargill seeks to limit the commercial options available to the small producer.

I hope they go bankrupt, and I have already said that in Weyburn and Estevan. Unlike my hon. friends opposite and to my right, Mr. Speaker, on a matter such as this I do not leave my position in doubt. Their position is sometimes horizontal, sometimes vertical, and sometimes on both sides of the street at the same time.

● (1730)

An hon. Member: That's Joe Clark.

Mr. Benjamin: Joe Clark is trying to run down the middle of the road. He is trying to take it over. Mr. Speaker, to be fair, both Liberals and Tories like something else about Cargill. I am talking about transportation figures which show prominently Cargill's manipulation of the domestic market. Since World War II the company, to stay one jump ahead of competitors and to extract the maximum dollar for every bushel of grain it handles, has opened a new access route along the Mississippi River by widening the channel and by-passing the city of Minneapolis. Then the company bought cargo carriers, began using inland waterways, and exerted pressure through its lobbies, which are influential. By the way, this is the ninth largest privately owned corporation in the United States, with sales in the order of $9 billion. It is hardly a case for welfare—except when you hear the Tories and Grits talking. They want to give the company incentives.

The company took the lead in pressuring the U.S. Interstate Commerce Commission to restructure railway rates and regulations so that rail transportation would be more economical for the Cargill grain company—but not for farmers. It was concerned about grain companies.

The company rented locomotives, cabooses and track, and hauled grain. Perhaps the CPR is willing to rent locomotives, cabooses and track to Cargill and permit it to haul grain on the track. I suppose that is one way of getting around the Crowsnest Pass rates in Canada. In any case that shows the kind of thing this outfit was able to do. Yet the Tory government in Alberta says that this outfit should get an incentive. Of course many Liberals look with benign eyes on outfits like Cargill grain company which is presently in the process of constructing inland grain terminals at Melfort, Saskatchewan, and Elm Creek, Manitoba. Wait for it—it will not be long before they are in Alberta.

Let me direct attention to other aspects of this company's operations—I am talking about the company which Conservatives want to provide with incentives. For instance Cargill Incorporated was found guilty of an illegal squeeze that pushed wheat futures up to an artificial high on the Chicago market in 1963. It was found guilty. All it got was two years' probation, for all the good that did.

Later a senate investigations subcommittee under Senator Henry Jackson discovered a few things about this outfit in 1973. For instance it discovered how grain companies reaped profits through manipulation of the government subsidy program on exports. At the time of the Russian wheat deal subsidies had soared to 47 cents a bushel. Cargill bought wheat from United States farmers and sold it to its wholly-owned affiliate in South America, Tradex-Panama. Cargill collected the subsidy when it showed proof of shipment to its affiliate. The affiliate then sold the wheat to another affiliate in Geneva, which thereupon made a final sale for $2.20 a bushel, ten cents above the American price. Senator Jackson's investigators said that as far as they could tell the wheat never left the ship on which it was originally loaded. All transactions were on paper. And this outfit to which the Tory government of Alberta wants to give incentives ripped off the United States for 57 cents a bushel.

Cargill recently appeared before a U.S. Senate foreign relations subcommittee on multinational corporations. The committee was investigating charges that grain exporting firms tried to manipulate the world grain market and acted in collusion with other large corporations to set prices paid to U.S. farmers. One charge was contained in a memo from an agriculture department attaché in Europe which accused Cargill and three other major U.S. grain exporters of supplying false data to the European Economic Council in order to influence pricing decisions. The second charge was made by a North Dakota grain elevator operator who said Cargill and other grain export companies quoted him identical prices for wheat more than 90 per cent of the time. The operator called the practice collusion.

Tories and Liberals who welcome inland terminals and multinational grain handling companies like Cargill to Canada will appreciate the next example I am about to recite. It will make their free enterprise hearts happy. The United States department of agriculture, investigations division, uncovered possible short-weighing of grain at export elevators in nine

states, and payments of gratuities to licensed inspectors in seven. They indicated that 49 separate investigations have been conducted into market irregularities in 15 states. Those investigations turned up unexplained "overages of about eight million bushels of grain at elevators in California, Illinois, Minnesota, New York, Oregon, Texas, Virginia, Washington State, and Wisconsin. The term overage refers to an excess of grain in an elevator over what should be there if purchases and sales records are accurate. Large overages might reflect deliberate short-weighing of grain taken from the elevators and sold.

Interpol had been looking into outfits like Cargill which the Tories and Grits would welcome to Canada. Interpol advises that most of the grain was stolen from poor countries. Every time somebody short-weighed a shipment to those countries some children did not eat.

That shows you the kind of outfit the Grits and Tories would welcome to Canada. That is the kind of outfit the Tories say should get incentives.

The assistant attorney general in the United States, Richard Thornburgh, who is head of the justice department's criminal division, stated that civil actions are being prepared against major grain exporting firms to recover losses incurred by the U.S. government as a result of short-weighing and misgrading of U.S. financed grain for export under Food for Peace and other plans.

Cargill was recently accused of and admitted to shipping American buckwheat into Manitoba on trucking backhauls. So far they have denied any intent to use the Crow rates to ship to Vancouver. But why any reputable company would ship buckwheat to Manitoba, the one province in Canada where buckwheat is grown, is totally beyond my comprehension.

In any case I have just given the House a short resumé of some of the company's dealings. I have much more to bring forward in other speeches during this session. I shall reveal more about this outfit which has entered western Canada with the aid and blessing of Liberals and Tories.

Let me now deal with some of the things not dealt with in the throne speech. The omission is understandable, both Liberals and Tories harbouring similar views on these matters. The hon. member for Moose Jaw (Mr. Neil) favours large clearing houses for grain. He agrees with the Alberta government. He says it would be more efficient to have one large house with respect to which the various companies would share the capital cost. He would allow the producer to determine with which house he would deal. The hon. member suggests that a large house would provide facilities for drying, cleaning, grading and so on.

I wish the hon. member for Moose Jaw would go to every shipping point in the three prairie provinces—it would take him a few years—every place where there is a wheat pool or United Grain Grower elevator, and explain to those farmers what they are supposed to do with the grain elevator they bought and paid for. Are they supposed to walk away and leave it sitting there? Well, the hon. member for Moose Jaw favours larger clearing houses. That's a nice word for inland terminals—terminals owned by outfits like Cargill grain company.

Now I come to freight rates, and on this subject the Speech from the Throne says something good.

Some hon. Members: Hear, hear!

Mr. Benjamin: I note the following sentence from the Speech from the Throne:

For this reason, changes will be introduced to the National Transportation Act to protect against unfair freight rates.

That is excellent so far as it goes; I am only sorry that the Minister of Transport (Mr. Lang) or the hon. member for Assiniboia have not risen in their places to explain what that language means.

Victor Mackie, a journalist in the Press Gallery, reports:

The intention is to charge a progressively higher rate by distance travelled.

That would rid us of an anomaly whereby it costs more to ship steel from Toronto to Regina than from Toronto to Vancouver. That is a laudable objective. It would receive the support of every member of this House, particularly those west of Thunder Bay.

● (1740)

The intention is to charge a progressively higher rate by distance travelled. The railways will be prevented from charging a higher rate for a shorter distance for the same commodity moved in the same direction over the same track,—

That is excellent. It is perfect. Now comes the hooker, the Otto Lang hooker.

—unless the Canadian Transport Commission grants an exemption for competitive reasons.

Those "competitive reasons" are what got us into trouble in the first place. There were reasons like the Great Northern, Union Pacific, the Panama Canal, and Japanese steel producers. It is because of those competitive reasons that many freight rates are lower from Toronto to Vancouver than from Toronto to Regina. Our Minister of Transport is going to keep that in his policy.

Mr. Hnatyshyn: Is he your Minister of Transport?

Mr. Benjamin: I have news for him. There were two other objectives. The third one bothers me.

A third objective will be to eliminate those special rates which are below the amount needed to cover "basic charges," an official said. Railways will still be required to charge a rate which covers their expenses for a particular service.

That is more of the minister's user shall pay concept. I wish I had another 40 minutes to go into that. However, I will deal with it in another debate, possibly the budget debate or when the minister brings in some legislation.

Mr. Goodale: You will be impressed with the bill when you see it.

Mr. Benjamin: If this report by Mr. Mackie is accurate, I will not be impressed by the legislation that is brought in. I hope that Mr. Mackie's informant is wrong.

We have had more on freight rates in the past two or three years than we have needed. In fact we did not need most of it. We had threats to eliminate the "at and East rates"; threats, moves, demands and proposals to increase or eliminate the statutory Crowsnest Pass rates. Some Tories think that would be all right, for example the Alberta government. With friends like that, the Tories don't need enemies. They say the same as the Minister of Transport, let the producers get the benefit of the Crowsnest rate in another way. They recognize that statutory grain rates have been beneficial in making Canadian grain producers competitive, but they want the Crow rates' benefits applied in another way. That is what the Minister of Transport said, and it aroused the ire of every producer in the western provinces.

The hon. member for Moose Jaw said there was no doubt in his mind that in order for the grain industry to remain viable the producers would have to receive the benefits of these reduced rates in some form or another. If those are not weasel words, I have not heard any. I would like the hon. member for Moose Jaw, Mr. Hugh Horner of Alberta, the Alberta government, and all other Tories of western Canada to listen to a poll conducted by the Alberta Wheat Pool. Seventy-six per cent of its respondents, members of the Alberta Wheat Pool, which constitutes an overwhelming majority of the grain producers in that province, favoured retaining the statutory Crowsnest rates for grain with, if necessary, financial assistance to the railways from the federal government. That could almost be right out of an NDP leaflet, but it is not.

Only 19 per cent were in favour of increasing freight rates on export grain, but doing it in some other way, as the hon. member for Moose Jaw and the Alberta government have said. Only 5 per cent favoured increasing freight rates on export grain to a level that is compensatory to the railways, a favourite phrase of the Minister of Transport. He thinks the railway rates should be compensatory.

In my opinion there is no difference between the position taken by the Progressive Conservative party from the position taken by the Liberal party on the issues I have raised. In fact there was a convincing occasion the other night when our amendment seeking to end the government's program to fight inflation immediately because it is unfair and inequitable, a program which the Tories themselves criticized and said should be soon ended, was defeated. We did our best to help the Tories. We took "soon" to mean something like tomorrow. However, when our amendment was voted on, the Tories were in bed with the Liberals voting to keep the Liberal program which they have criticized so loudly for the past year.

The Speech from the Throne did not contain what the people of Canada want and need. Many more items other than the one I cited have been left out. I hope that for the welfare and good order of this nation the government will bring in legislation, although not mentioned in the throne speech, to accomplish some of the objectives and programs I have illustrated. With my background regarding grain transportation and handling, the whole issue of freight rates—

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue only with unanimous consent. Does the hon. member have consent?

Some hon. Members: Agreed.

Mr. Benjamin: I thank my colleagues for their generosity. I appreciate having another minute or two to wind up what I have been saying.

The government should bring in legislation to restore feed grains to the jurisdiction of the Canadian Wheat Board, announce that flax, rye, and rapeseed will be under the jurisdiction of the board, do away with flexible tariffs for grain handling, announce and implement a national marketing authority for beef and beef products. The activities of multinational grain corporations in this country should be halted. In fact I would like to put in an amendment to the immigration bill saying that they be deported. It would be a favour to this country.

There is a need for legislation to establish national transportation. For too long Liberal and Tory governments have called transcontinental passenger trains those that begin in Montreal and end in Vancouver, leaving out the Atlantic provinces. Even though Newfoundland has been part of Canada since 1949 it still is not part of the national transportation system. In fact they do not even have the same gauge track. The minister's version of revitalizing transportation is reducing it.

In addition to bringing in measures to fight inflation in a fair and equitable manner, measures should be introduced to grant decent increases in minimum wages and pensions, increases for low income families in order that they can survive inflation and not be the victims of it. If the government did this, it would draw support from all quarters of the House. It would gain the support, and even in some quarters, the approbation of the Canadian population.

• (1750)

They have time to mend their ways—when I say "their" I mean both the Liberals and the Tories, because there is no fundamental difference between them. Well, there is a difference. The difference is that one is in and the other is out, and they spend their time trying to change places. But there is no fundamental difference when it comes to policy.

I get tired of protestations that there is some fundamental difference between Tories and Liberals because I find they both support the same philosophies, the same institutions which have got us into our present difficulties. When speaking in Western Canada, as well as elsewhere, I lose no opportunity to illustrate with words from their own mouths how the Liberals and the Tories stand with regard to various institutions, ideals, and philosophies, showing that there is no fundamental difference between them.

I am sad that the official opposition did not see fit to support our amendment the other night. However, I am not surprised. I expected it and they did not disappoint me. One

can observe this pattern of behaviour over the past 110 years, and I predict that the people of Canada will see it over the next 110 years if those parties are around that long. Liberal behaviour will differ very little from that of the Tories.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, it is an honour for me, and for the riding of Comox-Alberni, to have this opportunity of participating in this debate. Needless to say, the importance of the document we are discussing lies in the effect government policy will have on Canada and in particular on my riding, which is the playground of British Columbia.

I note the government's intent to obtain a better balance between money spent on public services and bilingualism and money spent to enable young people to learn to communicate in both languages. I trust this will be regarded by Canadians as an option, not as coercion, to strengthen the bonds of Canadian unity.

I congratulate the government on making funds available for young people to travel throughout Canada so as to understand better the various regions which make up our nation, because there is no more diverse country in the world than Canada, from the Pacific to the Atlantic, from Baffin Island in the Arctic to the 49th parallel. Canada is composed of a variety of regions. Perhaps the wonder is that in the 110 years since Confederation these regions have managed to stay together. I am sure this parliament would not want to be the parliament which witnessed the break-up of this unity.

Surely it is in the interests of Canada to strive for racial and for language harmony, knowing full well the consequences of intolerance and failure. I strongly fear that if intolerance becomes the accepted philosophy of the Canadian people, other minority groups such as the Chinese, the people of the Jewish religion, or East Indians, could become the targets of tomorrow. To my colleagues in Western Canada and in all parties in this House I appeal for leadership to preserve one Canada from the Atlantic to the Pacific. There must be bonds of understanding. Surely this needs to be our goal.

I have a great fear when I receive letters from my riding such as the following:

> The time for liberation of western Canada will come. The federal political parties will only hasten the process by denying us honest representation. The flag of Canada has become the representation of a curse that hovers over western Canada. I personally reject it and now await another flag and government that will show us the path of honest representation and dignity.
>
> Yours truly,
>
> Freedom and dignity for
> Western Canada

Mr. Benjamin: Is that letter signed?

Mr. Anderson: Yes, the letter is signed.

Mr. Benjamin: Might we have the name? The writer deserves to have it made public.

Mr. Anderson: The hon. member who spoke before me made reference to the DREE situation in British Columbia. I should like to point out to him that the province of British Columbia has designated certain parts of the province to come under the DREE program. As the member of parliament for Comox-Alberni I must say I would welcome DREE funds into my riding even though, in all honesty, I have to tell the House that Port Alberni, for example, enjoys the third or fourth highest per capita income in all of Canada. However, there are parts of the riding which could use these funds, areas where the natural resources in the way of lumber, minerals and so on, are limited.

It is not people like myself who designate where the DREE money is to go. It is British Columbia in agreement with the federal government, and the federal government has undertaken to go into North Vancouver Island by arrangement with the province. This was not forthcoming under the previous provincial government but we are hoping that under the new government, elected in December, 1975, some recognition will be given to the difficulties of the northern part of Vancouver Island.

Some hon. Members: Six o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Anderson: Mr. Speaker, at six o'clock I was going to mention a third point that the hon. member from the Kootenays did not mention in regard to DREE funding in the province of British Columbia. One problem is that in setting up new industries in British Columbia we find our labour rates are such that they tend to make these companies non-competitive not only in Canadian markets but also in world markets. If we are properly to utilize DREE money within the province, I think we should utilize it in a more progressive manner by funding small communities where, due to their size, there is not the capacity for putting in water or sewage treatment plants. DREE money could be used within the province in this way, not perhaps in the industrial sense but in the community sense.

I should like to refer to two examples of where this money may be used, namely, in the Tofino-Ucluelet area of Vancouver Island. These two communities are adjacent to Pacific Rim National Park. As the result of the establishment of Pacific Rim National Park the two communities of Tofino and Ucluelet have the very onerous responsibility placed upon them, not of their own choice, of providing sewage and water facilities for over 300,000 tourists per year who visit the Tofino-Ucluelet area and nearby Pacific Rim National Park.

So far as the Speech from the Throne is concerned, I applaud the government's initiative in attempting to improve labour-management relations as an essential pre-condition to economic stability. As a member of parliament from British Columbia it has become more and more apparent that better mechanisms for settling disputes are required. It is in the

interests of both labour and management to settle disputes not in an adversary manner but in a spirit of co-operation.

It is a very sad fact—I trust the official opposition are aware of this—that in 1975 Canada had the worst record for lost productivity due to strikes of any western industrialized nation. In 1974 Italy had a worse record than Canada; however, we now have the most dubious distinction of having a worse record than Italy.

Greater participation by workers in decision making, a collective bargaining information centre, a national institution to improve the quality of life in the work place, are a small beginning. From a personal point of view I believe that profit sharing by employees is an invaluable tool to demonstrate that a company making a profit is in the best interests of the employee.

I should like to comment on the word "profit" for a minute because I know that in some parts of the House that word is a very dirty and misleading one. I submit that without profit there is not the money to generate new plants or provide for modernization of equipment. I would hope that responsible members of the House would not direct attacks on companies which generate profits because without those profits there will not be jobs for our children and the children who follow.

• (2010)

The government is aware of the need for careful conservation of vital energy resources to protect the public interest. New sources of energy, both renewable and non-renewable, must be explored, and further emphasis must be placed on research and development. Canada is richly blessed in coal resources. We are aware that during World War II the Third Reich perfected the extraction of petroleum products from coal. To my knowledge we have ignored massive research funds to utilize our coal resources in Canada. I believe it is the responsibility of the Government of Canada and of the provincial governments, as well as of industry, to direct their expertise in this direction.

We are self-sufficient in coal. We know the vast potential of the resource. Now is the time to ensure that the full potential of this resource is utilized for the benefit of all Canadians. As time goes on perhaps we should consider not only building a pipeline from the McKenzie Delta but also a pipeline for the movement of coal from one part of Canada to another. I consider that basically we have not utilized, or put sufficient money into research in respect of these resources. Canada is one of the richest countries in the world in respect of coal resources. I hope the minister will take cognizance of this fact. I trust that as we review the estimates of the Department of Industry, Trade and Commerce additional funds will be made available for the study of our coal resources and their potential use for Canada.

I approve also of the government's decision to conserve the food resources of the sea with a proclamation on January 1 regarding Canadian jurisdiction over waters within 200 miles of our coastline. This is the first step to aquaculture, the farming of the resources of the sea. We know that the ocean is the last frontier for future protein. We know that arable land is reaching the point of maximum utilization. We know that world population will double in the next 50 years. We also must know that management of the sea resources must be achieved if we are to exist.

With the 200-mile limit Canada is taking the first step to manage the resources of the sea. Responsibility for this vast new area also causes obligations. The Government of Canada must immediately state its priorities for search and rescue. Too long have we divided this responsibility among various government departments, with the result that no clear authority rests with a single administration. Ships capable of patrolling large areas of the ocean for extended periods of time must be constructed immediately. These ships must have helicopter capability. A coast guard academy should be established on the west coast to train sailors for west coast conditions. The Canadian coast guard, through the Department of National Defence, or independently, should be charged with enforcing, control of smuggling, excise, search and rescue, as well as water surveillance of our 200-mile economic zone. Failure to do this will doom any advantages in obtaining the 200-mile limit.

The Department of Fisheries must, in addition to salmon enhancement, be prepared to increase substantially its research programs in ocean biology. Sovereignty must be accompanied by utilization of the living resources of the Canadian coastline. We are not in a position to do this on January 1. Utilization of stocks not used at the present time must occur in the future. New markets must be sought and processing must take place in Canada. These are some responsibilities facing the Government of Canada.

During the first session of this parliament two bills reached committee stage and were due for third reading, Bill C-61, the Maritime Code Act, and Bill C-83, the peace and security legislation. I trust the two ministers involved will re-introduce their legislation as soon as possible. Bill C-61 makes the first tentative step to assert Canadian sovereignty over marine activity on Canada's coasts. Canadian coastal shipping must be encouraged if we are to develop a Canadian merchant marine.

Bill C-83, the peace and security legislation, has many important clauses to ensure added protection for the law-abiding Canadian citizen. The changes regarding habitual and dangerous offenders, earned remissions for prisoners, wiretapping, organized crime, and gun controls are all attempts to provide security for Canadian citizens. I believe Canadian citizens view with apprehension kidnapping, rape, hijackings, armed robberies, and all crimes of violence. Those who transgress the laws, especially in a violent manner, must do so with the knowledge that the law will be administered harshly.

An hon. Member: What about capital punishment?

Mr. Anderson: A deterrent is required, and where the deterrent is not successful, dangerous offenders must remain incarcerated until such time as no reasonable doubt remains as to their danger in inflicting future violence on society.

An hon. member across the aisle asked "What about capital punishment?" The hon. member is aware that I voted for the retention of capital punishment. I also supported Bill C-83 for the same reason, that is, that it contains deterrents. There are increased terms for those who use guns during the commission of a crime. I think it follows that one who believes there is a deterrent in capital punishment would also believe there are deterrents under Bill C-83.

One area of grave concern to me is not that we have too few safeguards to the law-abiding citizens but that the laws we have on the books are not being enforced. We in this House are aware that on October 14 many trade unionists ignored legal contracts and ignored provincial laws. Some members of the House, if not actively encouraging this action, expressed total and complete compliance with these illegal acts. Most Canadians are law abiding but I sense a feeling of frustration when certain groups in our society deliberately flout the laws of our country with impunity.

Are we not encouraging non-compliance with the law if we do nothing when illegal acts take place? If a pressure group has a grievance, real or otherwise, does the breaking of laws duly passed make them assume legality? Are we encouraging people to take the law into their own hands? If so, I believe we are doing the country a disfavour. Whether the law is federal or provincial I believe governments must ensure that those who take the law into their own hands must accept the responsibility for their actions. No; you cannot barricade public roads; you cannot condone illegal strikes, nor can you allow incarcerated prisoners to dictate to custodians how prisons will be managed. Dangerous precedents are being set if Canadians perceive that laws can be broken with impunity, without retribution.

● (2020)

In conclusion, Mr. Speaker, there are many positive aspects of the Speech from the Throne. One which I have supported is an amendment to the Canada Pension Plan which would further recognize the value of the contribution made to the family and Canadian life in general, by both marriage partners, while one remains at home to raise children when the other works. Recent judicial decisions have emphasized the contribution the wife makes to the financial success of a marriage and I would trust priority would be given to changes in the Canada Pension Plan by this government. Why not?

Hon. J. A. MacLean (Malpeque): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. MacLean: —it is obvious that this occasion is non-partisan. Therefore in my remarks I will try to follow the trend that has been set.

My first words are to express my appreciation to colleagues in my party who have stood aside to give me the opportunity to speak on this occasion. I must tell you, Mr. Speaker, that it must be obvious to anyone that when our whip asks someone to step aside, that person has no other choice but to do so. Since I was given that privilege, I discovered by accident that it was 25 years ago, to the day, that I made my maiden speech in the House of Commons.

Some hon. Members: Hear, hear!

Mr. MacLean: It is a heartwarming coincidence for me that I made my first speech on October 18, 1951, having been first elected to this august Chamber on June 25 of that year, together with my desk mate, the hon. member for Brandon-Souris (Mr. Dinsdale).

Some hon. Members: Hear, hear!

Mr. MacLean: I have seen many changes since then. The most immediate one, of course, is the change in the membership of the House of Commons. The only members who have been returned in successive elections since my deskmate and I were first elected in 1951 are ourselves and my former deskmate, the Right Hon. member for Prince Albert (Mr. Diefenbaker).

Some hon. Members: Hear, hear!

Mr. MacLean: There are others, of course, such as the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and, I think, maybe the leader of the Creditiste party, who perhaps have served longer terms in the House of Commons than I have, but not continuously.

I would like to speak now of other changes than those among my immediate circle of friends, and I speak to you all as friends because in this institution we make friendships that are life long, across party lines as well as within them.

Some hon. Members: Hear, hear!

Mr. MacLean: I want to speak now for a few moments of other changes I have seen, some of which I am happy with, and some of which make me less happy.

One of the changes that I have seen over the last 25 years is the rapid urbanization of our country. I realize that this urbanization is not necessarily due to the vital growth of urban centres but also represents, on the other side of the scale, a hemorrhage of the life's blood of the small towns in rural Canada.

I regret that our development as a country has been so uneven. Over the last 25 years there has been a lusty but sometimes malignant growth of our urban centres, especially of areas based on the rapid exploitation of non-renewable resources. It is obvious, of course, that a civilization, a culture, or an economy based on non-renewable resources is, by definition, non-renewable itself. I regret the prodigal squandering of our natural resources which should be the precious capital of a civilization as long as it lasts, for a continuing civilization and culture must be based on renewable resources to be renewable themselves.

Of course I am probably biased in this matter because by birth and a long life of experience I am a country man, vividly

aware of the fact that we as humans are part of the web of life and that, if we forget that fact, we forget it at our peril.

I believe that this uneven development of our country is not entirely unavoidable or inevitable. Much of it has been caused by bias, often unconscious bias, in the whole apparatus of government at every level, based on the false premise that was instilled perhaps 40 or 50 years ago but which is no longer valid, namely, that the good life can be obtained only in an urban setting. Experience has proved the opposite to be true.

● (2030)

There was a time some decades ago when modern conveniences, modern communications and so on, were the prerogatives of the urban area, but that is no longer true. Technology has advanced to the point where those who live in rural Canada can enjoy all the modern conveniences, if they can afford them, that the urban dweller can, and have the joy and benefit and recreational facilities—and I mean recreational in the best sense of the word—and the experience, of living in the country. I believe that the highest and best quality of life is achievable more easily in rural Canada and in the small towns than it is in the large urban centres.

I do not think it is inevitable that modern technology forces us to the large urban conglomeration of society. This has come about, I think, because of a worship of giantism and an over selling of the benefits of large scale. In the process the human element has been lost, and I do not think it is good that that should be the case. I have from time to time been talking along this line over 25 years and, as far as I can tell, nobody has been listening, but as I said, I found by accident that I made my maiden speech in this Chamber exactly 25 years ago today.

Some hon. Members: Hear, hear!

Mr. MacLean: Perhaps I could be pardoned if I read a small quotation from it. As reported in *Hansard* of October 18, 1951, in the debate on the throne speech of that year I said on that occasion:

I maintain that if industry were brought to the outlying sections of our country the economy of the country would be improved, as would the social life in those areas. I would say too that children brought up in small towns and villages and in the country have an advantage over those brought up in the larger cities, who must live among the flashing lights and the ringing bells. The child of the modern city must feel something like a ball in a pin-ball machine. On the other hand a child living in the country either consciously or unconsciously comes to recognize that he is part of God's creation, a fact that stands him in good stead in later years.

Some hon. Members: Hear, hear!

Mr. MacLean: I recently made a speech along these lines in a different setting, and one of my friends congratulated me on the profound impression the book entitled "Small is Beautiful" had had on my thinking. The book is by E. F. Schumacher, and I had to confess to him that I not only never read the book but, up to that point, I had scarcely heard of it, and that I had been talking along these lines for 25 years. I suppose it is too much to expect or hope that Mr. Schumacher, the author of the book, had been reading some of my speeches.

Some hon. Members: Hear, hear!

Mr. MacLean: However, I do not agree with the theory that over urbanization is inevitable or that the use in a prodigal way of non renewable resources to fuel that kind of industry is justified. I will do Mr. Schumacher the honour of quoting from his book in this connection:

First of all, and most obviously, there are the fossil fuels. No one, I am sure, will deny that we are treating them as income items although they are undeniably capital items. If we treated them as capital items, we should be concerned with conservation; we should do everything in our power to try and minimise their current rate of use; we might be saying, for instance, that the money obtained from the realisation of these assets—these irreplaceable assets—must be placed into a special fund to be devoted exclusively to the evolution of production methods and patterns of living which do *not* depend on fossil fuels at all or depend on them only to a very slight extent.

Some hon. Members: Hear, hear!

Mr. MacLean: In my humble opinion we have to develop a way of life ever conscious that we are ourselves part of the web of life and that we cannot escape that fact. I would like again to quote from Mr. Schumacher's book, "Small is Beautiful":

While many theoreticians—who may not be too closely in touch with real life—are still engaging in the idolatory of large size, with practical people in the actual world there is a tremendous longing and striving to profit, if at all possible, from the convenience, humanity, and manageability of smallness. This, also, is a tendency which anyone can easily observe for himself.

Today we suffer from the almost universal idolatory of giantism. It is therefore necessary to insist on the virtue of smallness. In my view small is beautiful.

Some hon. Members: Hear, hear!

Mr. MacLean: I might digress here for a moment and deal with government experts. I have no objection to civil servants as individuals, but I think it is unrealistic for us as a country to take a person from perhaps the age of four, put him into a publicly supported kindergarten, put him through school and high school, which are funded publicly to a large extent, then through university and perhaps to a PhD degree, with a large contribution for that education from the public taxpayer, and then immediately make him a civil servant to direct us and to tell us what is best for us.

Some hon. Members: Hear, hear!

Mr. MacLean: I would like to see the day when one of the requirements to be a civil servant will be to have lived in real society for at least five years. Under the circumstances as they apply to us now, I believe to our disadvantage, we as a legislative body have been overawed unjustly by the governmental expert who is supposed to know what is best for the Canadian people.

I take second place to no one, regardless of his education or his qualifications, who is set up by his own peers, as to who is best qualified to say what is best for the Canadian people.

Some hon. Members: Hear, hear!

● (2040)

Mr. MacLean: We as commoners should be more ready to assert our superiority over the technical advice given us by

people who are supposed to be more greatly qualified and therefore in a better position to say in what direction our nation should go. After all, we should not break faith with the people we represent.

Some hon. Members: Hear, hear!

Mr. MacLean: We suffer from an almost universal idolatry of giantism. It is therefore necessary to insist upon the virtues of smallness. In this connection, Mr. Speaker, I should like to quote briefly once more from the book "Small is Beautiful" at page 63 as follows:

> Take the question of size of a city. While one cannot judge these things with precision, I think it is fairly safe to say that the upper limit of what is desirable for the size of a city is probably something of the order of half a million inhabitants. It is quite clear that above such a size nothing is added to the virtue of the city. In places like London, or Tokyo, or New York the millions do not add to the city's real value but merely create enormous problems and produce human degradation.

At page 66 it goes on to say:

> As an illustration, let me take the case of Peru. The capital city, Lima, situated on the Pacific coast, had a population of 175,000 in the early 1920s, just 50 years ago. Its population is now approaching three million. The once beautiful Spanish city is now infested by slums, surrounded by misery-belts that are crawling up the Andes. But this is not all. People are arriving from the rural areas at the rate of a thousand a day—and nobody knows what to do with them. The social or psychological structure of life in the hinterland has collapsed.

This is where I quarrel with governments; not only this government—this is completely non-partisan—but every government in recent years. Due to the advice they have been getting they have not given enough concern or interest to rural and smalltown Canada.

Some hon. Members: Hear, hear!

Mr. MacLean: Any government that suggests such a thing of course has its suggestions turned aside by the argument that urbanization is inevitable and automatic; that we will have most of our population living in large urban centres in a very few years. They say it is true because of technology. Well, Mr. Speaker, we should not be slaves to technology—

Some hon. Members: Hear, hear!

Mr. MacLean: On the other hand we should make technology our servant, give technology a human face.

Some hon. Members: Hear, hear!

Mr. MacLean: I think it is false for us to assume that all the values of life can be measured in dollars and cents, or in economists' graphs. There are other things in life that are more important, that are equally important. The material side of life is only a prerequisite to enjoying life. I will quote again from page 70 of Mr. Schumacher's book as follows:

> The conventional wisdom of what is now taught as economics by-passes the poor, the very people for whom development is really needed. The economics of giantism and automation is a left-over of nineteenth century conditions and nineteenth century thinking and it is totally incapable of solving any of the real problems of today. An entirely new system of thought is needed, a system based on attention to people, not primarily attention to goods—the goods will look after themselves! It could be summed up in the phrase, "production by the masses, rather than mass production". What was impossible, however, in the nineteenth century, is possible now. And what was in fact—if not necessarily at least understandably—neglected in the nineteenth century in unbelievably urgent now. That is, the conscious utilization of our enormous technological and scentific potential for the fight against misery and human degradation—a fight in intimate contact with actual people, with individuals, families, small groups, rather than states and other anonymous abstractions. And this presupposes a political and organizational structure that can provide this intimacy.

I feel, Mr. Speaker, that one of the greatest mistakes economists ever made is that they treated agriculture and our soil as just another economic value. It is more than that. Agriculture is more than an industry. Any nation that over urbanizes and neglects its soil, and has a large percentage of its people unconscious of the fact that they are part of the web of life, is in for trouble.

Some hon. Members: Hear, hear!

Mr. MacLean: It may be a coincidence but the facts of history show that when civilizations became highly urbanized they collapsed. That may be coincidental but it is a provable fact that when civilizations neglected their soil and forgot they were part of the web of life, that humanity itself is part of the biosphere of this little planet, collapse was certain.

I should like to say it is a historic fact that when civilizations neglected their soil and treated it as if agriculture were merely an industry, without exception they collapsed and disappeared. Again quoting from Schumacher at page 95:

> Man, whether civilized or savage, is a child of nature—he is not the master of nature. He must conform his actions to certain natural laws if he is to maintain his dominance over his environment. When he tries to circumvent the laws of nature, he usually destroys the natural environment that sustains him. And when his environment deteriorates rapidly, his civilization declines.

The soil is a producer, directly or indirectly, of virtually all our renewable resources. Humanity depends upon that fact because we are part of the web of life. We should take a wider view of agriculture and not treat it as just another industry.

At page 105 of his book Mr. Schumacher writes:

> On a wider wiew, however, the land is seen as a priceless asset which it is man's task and happiness "to dress and to keep". We can say that man's management of the land must be primarily orientated toward three goals—health, beauty and permanence. The fourth goal—the only one accepted by the experts—productivity, will then be attained almost as a by-product. The crude materialist view sees agriculture as essentially directed toward food-production'.

● (2050)

> A wider view sees agriculture as having to fulfil at least three tasks:
>
> —to keep man in touch with living nature, of which he is and remains a highly vulnerable part;
>
> —to humanize and ennoble man's wider habitat; and
>
> —to bring forth the foodstuffs and other materials which are needed for a becoming life.

I am almost finished, Mr. Speaker. I cannot close without referring to my home province, Prince Edward Island. It was proud to be called a million acre farm. However, in the last few decades it has suffered as much as, if not more than, any other province from government policies which favoured giantism, industrialization, and the exploitation of non-renewable resources. Such policies were "in". Saskatchewan probably suffered as much as Prince Edward Island from such policies,

until non-renewable resources like potash and oil were exploited in the province. Speaking as a Prince Edward Islander, I make no apology for the difficult times we have gone through as a province. I only regret that the resources supplied to my province by well meaning but ineffectual organizations such as DREE weve not administered in a way which will leave lasting benefits.

In Prince Edward Island our main resource is the soil; our second resource is the sea. We are in a highly favoured position since, in the long run, our resources are renewable. If we husband our resources wisely, if we are prepared to take the long view instead of acting according to expediency, we in Prince Edward Island will prosper as a living civilization, and areas which depend on non-renewable resources will look to us for help, rather than the other way around.

In closing may I say that, for me, the past 25 years are an experience I would not have missed for anything. On the other hand it is apparent that the sacrifice the member of parliament makes is not appreciated by the public at large. I do not know the reason for this. Perhaps it is the distorted image of this institution held up to the public of Canada by the media. Whatever the reason, the public ought to know that, generally speaking, members of any party make a great sacrifice when they agree to serve in this House. Usually they sacrifice the most productive periods of their lives in order to serve the best interests of Canadians, as they see them. But the public does not, generally, appreciate this.

I want to see the day when the public recognizes the sacrifice of those who stand for parliament. In every constituency several candidates present themselves for election to parliament. They are selected by our parties on the basis of character and standing. Our parties try to bring the best people forward. Out of three or four candidates only one is elected. If one were to be cynical, one could say that the elected one is the unlucky one. Usually he is in the most productive period of his life, which means he, or she, may sacrifice, for the sake of serving a few years, the opportunity for security. I include the families of members in my remarks, and I want to pay special tribute to the wives and families of members of parliament who accept, without reservation, the necessary sacrifices.

Some hon. Members: Hear, hear!

Mr. MacLean: Such families become, in effect, one-parent families, because the father must serve in this Chamber perhaps ten months of the year.

An hon. Member: Or the mother.

Mr. MacLean: Or the mother, as the case may be.

Having said that, I plan to leave this place tomorrow, of course with many regrets. I remember the friendships I have made here over the years. I hope I shall have the opportunity to come back to visit my friends on the Hill.

Some hon. Members: Hear, hear!

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I listened attentively to the hon. member for Malpeque (Mr. MacLean) and join with all members of the House in congratulating him on a graceful, thoughtful speech which exemplifies the man himself to all his friends and admirers in this Chamber and country.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): I have been a member of this House since 1962. During these past years I always found the hon. member kind and thoughtful, and most helpful to all members when they first present themselves in this House. Never can I recall his doing anything shabby, mean, or disappointing, so I join my colleagues in wishing him the best in every endeavour he may pursue—

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): —except one.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): In the remaining moments I wish to outline what the government has in mind with respect to one of its major priorities as outlined in the Speech from the Throne. That is the very important area in our industrial relations system and how we hope to improve it.

● (2100)

I might indicate that what we have here is a 16 point program to improve our industrial relations system. Much of it is predicated on one underlying precondition, that is, that it involves discussion and co-operation between the government, labour and the business community. It involves implicitly the necessity for the acceptance of the labour movement as a legitimate body in this country for the purpose of consulting and for involvement in decision making in the country. It means not only should labour be accepted on an equal footing with the business community in Canada, but it is an absolute essential if we are to arrive at meaningful accommodations in terms of the realization of many of the points I am going to discuss.

As I indicated, all the proposals require the co-operation of labour and management. We intend to consult with labour and management and, in some cases, the provinces, in order to develop the necessary consensus which we will need. When these proposals are translated into legislation and programs, I hope with the full support and co-operation of labour and management, we will have gone a long way toward improving the climate and the performance of labour-management relations in Canada.

The government's proposals attack the problems on three fronts. First, we want to amend and improve the structure and process of labour-management relations. Second, we want to deal with substantive issues to improve the work environment. And third, we want to remove the contentious issues, to the greatest extent possible, from the bargaining table. I would like to deal with each of these areas in some detail.

Dealing with the structure and the process of labour-management relations, the first point of the 16 point program would be the constitution of a multipartite forum for consultation.

An essential step toward a more responsive and responsible industrial relations system is the development of a multi-partite forum for consultation and the exchange of information on the broad issues of social and economic concern. Such a forum would bring together representatives of government, labour, business, the farm community, consumers, possibly others. We do not favour a body with the wide-sweeping powers which has been advocated tentatively by the Canadian Labour Congress. The body proposed by the Congress would purport to manage all or major parts of the economy and would require a significant delegation of power by parliament, and this we are not prepared to do.

The multi-partite body we are proposing would provide decision-makers in the industrial relations field with the background information they need for making decisions that are in their own interest and in the public interest. Under the umbrella of such a national body we propose there would be a tripartite consultative body to deal specifically with labour-management relations.

It should be quite obvious, Mr. Speaker, that in pursuing the course the government is recommending to parliament we want the involvement and whole-hearted support of labour and management.

Second, we are proposing the establishment of a collective bargaining information centre. The need for such a centre was recognized by labour and by management at the first meeting of the Canada Labour Relations Council in July, 1975. Both parties recognized the need for a centre where they could turn for information on the economy and the various bargaining issues which was acceptable to both parties. Members on all sides of the House will agree, I am sure, that a collective bargaining data centre of this kind would go a long way toward removing some of the worst adversarial aspects of the collective bargaining system.

Considerable quantities of economic data are now available from various government and private sources. This is not the problem. The problem is that much of this information is unsuitable for collective bargaining. In our discussions at the Canada Labour Relations Council it was agreed there should be a single agency which would pull together these data and make them relevant and available to both parties. The government believes that the availability of such information, comprehensive and up-to-date, would improve the attitudes of the parties and would make them aware of what the economy can bear.

The kind of centre we have in mind would not duplicate existing data collection functions. It would act as a clearing house. It would encourage existing agencies to make their output more relevant and useful to the collective bargaining process. It would include information on rates of pay, employee earnings, conditions of employment, and fringe benefits. It would provide information on the state of the economy and the state of individual industries, including comparisons with other countries, particularly Canada's major partners. It would operate under the direction of a tripartite advisory board consisting of representatives of labour, management, and government. Its data would be available to the public.

Third, another change the government would like to encourage is to provide for greater worker participation at the plant level. To be quite frank about it, the umbrella organization, the national consultative council we are proposing, might not be seen as having much relevance to the worker on the shop floor. The consultative bodies would be more relevant to the senior labour leadership and to management. But there are important structural changes which could have immediate import for men and women workers at the production level.

We will work closely with Crown corporations to promote the introduction of worker participation at various levels of the enterprise. There are three such areas the government wants to pursue. One is an institute for occupational health and safety. The second is measures to improve opportunities for labour education. The third is worker education.

The fourth element is the constitution of an occupational health and safety institute. There can be no significant and lasting improvement in industrial relations as long as workers, in any place and in any industry, feel there is insufficient concern for their health and safety, or as long as health and safety hazards which can be identified are allowed to continue. The labour movement is concerned about this issue. Several of the provinces have introduced legislation and committed themselves to programs. We must move forward in co-operation with the provinces.

There is a demonstrated need for a national code; there is a need for the testing of potentially dangerous substances and conditions and industrial processes; and there is a need for a technical advisory service to workers, trade unions, employers, government and agencies, and the public. I anticipate full multipartite and provincial involvement in the development and operation of an occupational health and safety institute.

The fifth point deals with paid educational leave. In the field of education the government wants to explore the opportunities for individual workers and the opportunities for trade unions.

The opportunities for paid educational leave relate to the desire of workers to improve themselves in their jobs, or to develop their skills, or to prepare themselves for new careers. The concept is related to the need for worker sabbaticals so that they can regenerate themselves and prepare themselves for new opportunities in a flexible working life. Paid leave is now more or less a luxury which is afforded to some professional workers, notably teachers and doctors. The government believes that Canadian workers in all categories want to discover new career choices, and that Canada would be better off is we were to help make it possible. Therefore the government plans to undertake a fact-finding exercise which would discover present practice in Canada and other countries and attempt to assess the possible impact of educational leave on unemployment strategies and the relationship of educational leave to a flexible working life.

The sixth point deals with labour education. In the other area, labour education, the government recognizes the need for programs which would assist labour leaders and potential labour leaders to acquire a more comprehensive knowledge of the structure, goals, policies and responsibilities of the labour movement in the social and economic context of Canada. Canada is well-equipped with, and well-served by, university and private institutions for the development of managers and management skills. But we have paid only minor attention to the development of trade union leadership. There is a whole new generation of workers who have no knowledge of the contributions which have been made by the labour movement to the development of Canadian democracy, and who have no access to institutions which could help them develop collective bargaining skills. The government will be seeking the approval of the House for programs which will provide support to individual workers and to labour and educational organizations.

● (2110)

I would now like to deal with the second element of the government's proposals—improving the work environment. We are proposing many innovations in this area. I do not anticipate that I will have sufficient time today to give all the detail that hon. members will want, but there will be other opportunities during the debate and following.

I have already spoken of the need for a national code for occupational health and safety. The government is proposing a program to increase worker participation in determining the working conditions that affect the work environment. We propose that this could be achieved, in part, through the establishment and promotion of joint safety and health committees in the shop, under federal jurisdiction. The establishment of committees on a plant-by-plant basis would provide a means for sharing the responsibility for health and safety between labour and management. They would provide a recognized role for employees in the decision-making related to safety and health matters.

I think that hon. members will appreciate the potential for such committees. Besides their concern for health and safety, they would improve communications in the workplace, and given the co-operation and good will which I anticipate will be developed, they could be extended to other work processes and conditions.

Another area for improving the working environment is the area of basic minimum standards. A major irritant to good labour relations in any workplace is unjust dismissal. Organized labour has developed a code of practice in collective bargaining which provides for the protection of worker rights through a grievance procedure. The government proposes to extend to all employees in the federal jurisdiction the right of grievance against alleged unjust dismissal. This would not infringe on the right of dismissal for misconduct, incompetency or incapacity, and it would not impede lay-offs on a non-discriminatory basis when work is not available. The proposed procedure would include filing of a complaint and conciliation of the complaint by an officer of the Department of Labour or by arbitration where the departmental officer was unable to reach a satisfactory conclusion.

In addition to cases of dismissal without just cause, we would like to protect unorganized workers in other areas, including standards on hours of work, paid annual leave and wage protection. We are prepared to give consideration to proposals on flexible hours of work and we would like to move ahead with new proposals for wage protection, sick leave, bereavement leave, reporting pay and layoff and recall procedures. In order to update standards according to current needs and conditions, we will be asking the House to permit the improvement of standards through regulation, rather than submitting each proposal for amendment to the legislative process.

Closely related to the government's intention to improve the working environment through the upgrading of minimum standards is our proposal for developing a normative and voluntary code of good industrial relations practices. Such a code would provide employers and employees with a manual of good practices in all personnel-related issues. A move in this direction would help to reduce the divergence of views towards recurring labour-management issues. My department believes that the adoption of such a code in the United Kingdom was an important element in the acceptance of the social contract between government, labour and management in that country. Such a code could emerge out of the tripartite consultations which we want to resume in the very near future.

I have referred to paid education leave and support for labour education as initiatives for restructuring labour-management relations in this country. Paid education leave could also make a significant contribution to improving the working environment. This proposal originated in a convention of the International Labour Organization and it has the full backing of the Canadian Labour Congress.

The government has proposed the establishment of a national institution to improve the quality of life in the workplace. I will be perfectly candid and say that the concept of "quality of working life" is neither clear nor easily defined. But we do know that European experiments in industrial democracy and North American experiments in the humanization of work tend to show there is one factor which is common to all successful attempts to improve working conditions while maintaining and improving productivity. That common element is worker participation. What we are proposing to do is to study the full range of participatory mechanisms and promote their implementation in the private and public sectors, unionized or otherwise, in the federal and provincial jurisdictions.

We recognize some serious problem areas. Trade unions have been hesitant to participate in experiments in the reorganization work, particularly if the experiment poses a threat to collective bargaining. Management has been hesitant about any change that threatens its right to organize and assign work in the enterprise. These sources of disapproval have not been insurmountable elsewhere, and I anticipate a willingness on the part of both labour and management to join in a tripartite

study of this whole question. The successful implementation of any proposals in this area will involve the federal and provincial governments, and the provinces will be willing partners. This is to be a national effort.

While I would not want to anticipate the direction which labour, management and the provinces would want to take, I think it is conceivable that we would want to start with the collection and distribution of data on experiments that have been conducted in Canada and elsewhere for the improvement of the quality of working life—we would include the monitoring of experiments in the field, we would include lectures, seminars and workshops on methods and problems, and we would establish technical and consulting services on the whole area of quality of working life. I would anticipate that the program would be administered by the Department of Labour, and the department would seek the advice of a multi partite committee including the provinces in determining priorities and co-ordinating programs.

Another of the substantive issues in the workplace is the pension and retirement issue. This has become a significant source of friction in labour-management relations. An interdepartmental task force is currently studying the relationship of private to public plans and the adequacy of coverage and benefits. The Department of Labour will be assessing the information that will be developed over the next three or four months.

I should like to move on now to the third major element of the proposals which has to do with the improvement of the collective bargaining process. The thirteenth point of the program in this area concerns the initiative toward broader-based bargaining. One of the first changes we wish to make is an improvement in this direction especially in some of the major federal services. I am thinking, by way of example, of the airline industry. A move in the direction of coalition bargaining would help avoid the kind of sequential shutdowns we have experienced in the past in this important public service. The Department of Labour has examined the collective bargaining process in this area and is now ready to initiate discussions with Treasury Board and the Public Service Staff Relations Board. We intend to propose that the parties concerned consider some form of voluntary coalition for bargaining purposes, but should this approach not succeed the government may wish to consider amendments to the legislation.

Many of our proposals are intended to diminish the adversary element in the collective bargaining process, but it is unrealistic to believe that the adversary element will disappear. It is an essential part of bargaining. What we want to continue doing, and do even better than in the past, is to provide for third party assistance in the resolution of labour-management disputes.

In conclusion I might mention our proposal for the improved training of conciliators and mediators. We are putting more resources into this area as a matter of urgency. It is considered also that the training available to conciliators and mediators ought to be improved and plans have been prepared accordingly. This would, of course, involve getting together with the provinces and making more resources available for the purpose. I might add that amendments to Part V of the Labour Code would provide a much better system for the resolution of many of the factors which cause delays in the processing of grievances. Those are some of the main elements and I would welcome any further discussion or information that my colleagues in the House might desire with regard to this particular program.

[Mr. Munro (Hamilton East).]

● (2120)

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, before I speak tonight I think I could render the House a service by bringing hon. members up to date on some very important events which took place today. First of all I will give hon. members the latest results in the Ottawa-Carleton by-election. With 300 of 422 polls heard from, the Conservative candidate has 21,685 votes, the Liberal candidate has 12,003, and the NDP candidate has 8,059 votes.

Some hon. Members: Hear, hear!

Mr. Hees: The communications are not quite so good from Newfoundland but it has come through officially that the Conservative candidate has been declared the winner.

Some hon. Members: Hear, hear!

Mr. Hees: The NDP candidate has come second. I might say that that is the first time that an NDP candidate has made any showing in this area whatsoever. Third candidate by a long way is the Liberal candidate.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, I have just been given more recent results and I know hon. gentlemen opposite want to hear them. In Ottawa-Carleton with 322 polls heard from, the Conservative candidate now has 23,612 votes, the Liberal candidate has 12,979 and the NDP candidate 8,748. So we sing:

Happy birthday to you,
Happy birthday to you,
Happy birthday dear Pierre,
Happy birthday to you!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I am sure the hon. member would not want to complicate the job of the interpreters so I would hope that he would return to his text.

Mr. Hees: Thank you, Mr. Speaker. I assure hon. members—

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

Mrs. Campagnolo: Mr. Speaker, I rise on a point of privilege. I was delighted to hear the "happy birthday" of the hon. gentleman from Prince Edward-Hastings, and since it is my birthday too I will take it as a great honour from him because there will be another woman in the House. We on this side will

welcome her because we know that she is going to put a lot of fire under some of the old wood.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. In view of the fact that the hon. member repeated the figures for Ottawa-Carleton, for the benefit of those who came in late would he not also repeat the figures for St. John's West?

Mr. Hees: Mr. Speaker, I am so glad that I have been asked that question, because in Newfoundland the results are as follows—

Mr. Deputy Speaker: Order, please. The hon. member for St. Denis is rising on a point of order.

Mr. Prud'homme: Mr. Speaker, I would not want to spoil the celebration of the hon. gentlemen opposite, but I hope that the hon. member will remember what one Mr. St. Laurent, a great Prime Minister, used to say, that he would rather win a general election than win a by-election.

Mr. Hees: Well, we just take it election by election. First of all we win the by-elections and then we win the general election. As my colleagues around me point out, it is obviously a great night for the nobodies. The latest results from Newfoundland are as follows: Crosbie, Conservative, 9,939; Mayo, NDP, 7,152; Innes, Liberal, 3,755.

Now, Mr. Speaker, having dealt with the really important matters this evening I will just speak very briefly on what led to these electoral disasters on the part of the government. At the end of the two day meeting of the Liberal members of parliament on September 8 and 9 the Prime Minister (Mr. Trudeau) was asked by the press what assessment he had made as to why the popularity of the government had sunk so low. He gave one reason and one reason only. He said it was simply because of the people's disenchantment with the anti-inflation program which he said, to use his own words, was "trampling on people's expectations".

In making such a reply the Prime Minister either had not listened to his members of parliament or, if he had, he had paid no attention to what they said, because the Prime Minister heard from his constituents, Liberal members heard from theirs, and we heard from ours exactly the same story, and that was that the people are becoming increasingly disenchanted with this government for two main reasons. By far the most important of these reasons is the Prime Minister's increasing habit of disregarding the wishes of the people.

Some hon. Members: Hear, hear!

Mr. Hees: He has had every way of learning what these wishes were because they were told him by his own members, by members of the opposition, and by opinion polls. Instead of listening to the wishes of the people he has initiated policies that are largely his own views. This growing elitism and paternalism on the part of the Prime Minister has infuriated a steadily growing number of Canadians, as expressed very clearly in the results of the two by-elections that have been held today.

Mr. Deputy Speaker: Order, please. I have been informed that there might be a disposition not to see the clock because of the fact that there is only one vote tonight. This can only be done by unanimous consent. Is there unanimous consent not to see the clock and to proceed with the vote at 9:45?

[*Translation*]

Does the House agree to vote at 9:45 instead of 9:30?

Mr. Boulanger: Mr. Speaker, I am not in the habit of casting objections but, given the circumstances, I think I shall do so since my hon. colleague does not seem very much interested in the Speech from the Throne. Instead of speaking to the motion, he finds nothing better than reporting election results.

• (2130)

[*English*]

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the same point of order may I say that the hon. member for Prince Edward-Hastings (Mr. Hees) was really only clearing his throat as he approached the substance of his speech. I hope you would put the question again because there was a consultation with the Government whip, with the House Leader for the New Democratic Party, and with the House Leader of the Social Credit Party for the purpose of permitting this debate to continue for the reasons given by Mr. Speaker. I think that despite the results of the elections, which were not decided in this House except indirectly, it would be a matter of common courtesy on the point of order raised by my friend to allow this matter to go ahead.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should just like to confirm that there were these consultations. I think it is a matter of courtesy that we should agree to let the member continue his speech.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, it is true that consultations have been held to allow the hon. member for Prince Edward-Hastings (Mr. Hees) to go on with his very interesting speech. Therefore, we would like to continue until 9:45.

[*English*]

Mr. Deputy Speaker: Order, please. I must abide by the Standing Orders of the House. Standing Order 38(4) says that on the fourth day the vote is to be called at 9.30. I really am in the hands of the House. I am ready to co-operate. I have invited unanimous consent.

Mr. Baker (Grenville-Carleton): Invite it again, Mr. Speaker.

Mr. Deputy Speaker: I will put the question again and ask the members if there is unanimous consent. Is there unanimous

consent that I not see the clock and call the vote at 9.45? There does not seem to be unanimous consent.

Order, please. It being 9.30 p.m. it is my duty, pursuant to section (4) of Standing Order 38, to forthwith put the question necessary to dispose of the amendment now before the House. The question is on the amendment of Mr. Clark. Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will pleased say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

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

(*Division No. 2*)

● (2140)

YEAS

Messrs.

Alkenbrack
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Baldwin
Beatty
Beaudoin
Benjamin
Blackburn
Brisco
Broadbent
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Crouse
Darling
Dinsdale
Dionne (Kamouraska)
Ellis
Elzinga
Epp
Fairweather
Firth
Forrestall
Friesen
Gauthier (Roberval)
Gilbert
Gillies
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Huntington
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Lavoie
Lawrence
MacDonald (Egmont)
MacDonald (Miss) (Kingston and the Islands)
MacKay
MacLean
Macquarrie
Malone
Marshall
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Muir
Munro (Esquimalt-Saanich)
Murta
Neil
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Roche
Saltsman
Schellenberger
Scott
Skoreyko
Smith (Churchill)
Stanfield
Stevens
Stewart (Marquette)
Symes
Towers
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—89.

(*Division No. 2*)

NAYS

Messrs.

Abbott
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Baker (Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Cullen
Cyr
Daudlin
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Gray
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Lachance
Landers
Lang
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
Macdonald (Rosedale)
MacEachen
MacGuigan
Maine
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Roberts
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Trudel
Turner
Watson
Whelan
Yanakis
Young—114.

● (2200)

Mr. Speaker: I declare the amendment lost.

Amendment (Mr. Clark) negatived.

Mr. Speaker: It being after ten o'clock this House stands adjourned until eleven o'clock tomorrow morning.

At 10.08 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, October 19, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

OLYMPIAD FOR THE DISABLED

SUGGESTED SUPPORT FOR FUND RAISING ACTIVITIES—MOTION UNDER S.O. 43

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. In view of a substantial deficit incurred by the organizing committee for the 1976 Olympiad for the physically disabled held earlier this year in Toronto, the Olympiad is embarking on a worldwide sale of precious metal commemorative medallions to honour Sir Ludwig Guttmann, the originator of organized sport for the disabled. In that funds generated will be used to offset the current deficit and to further the cause of organized sports for the disabled worldwide, I move, seconded by the hon. member for Hamilton Mountain (Mr. MacFarlane):

That this House support and encourage the Olympiad for the disabled in their current fund raising program.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

* * *

LABOUR CONDITIONS

PROPOSAL FOR SETTLEMENT OF STRIKE OF CANADIAN PRESS EMPLOYEES—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to move, under Standing Order 43, a motion of urgent and pressing necessity. Given the unanimous viewpoints being expressed from both sides of the House over the last few days, I should like to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the management of Canadian Press and the newspaper publishers of this country to accept the proposal of the Newspaper Guild so that this dispute can be terminated under equitable and just conditions.

Mr. Speaker: Pursuant to Standing Order 43 such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

FINANCE

SUGGESTED COMMITTEE STUDY OF HIGH INTEREST RATES AND PROFITS OF FINANCIAL COMPANIES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Considering that the current high interest rates are the main cause of price inflation in all areas, whether in the private or public sector, and also that Parliament should exert supreme authority in this country, something I have always held, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House immediately entrust the Finance, Trade and Economic Affairs Committee with a special order of reference for the purpose of examining closely and in depth the disastrous consequences on our economy of the current high interest rates, as well as of the considerable profits made by banks and other financial institutions.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

Canadian Press Strike

● (1110)

[*English*]

ELECTIONS

REFERENCE TO RESULTS OF BY-ELECTION IN OTTAWA-CARLETON—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. I move, seconded by the hon. member for Perth-Wilmot (Mr. Jarvis):

That this House express its appreciation to Jim Coutts and others from the Prime Minister's office for their contribution to the democratic process as was evident from the by-election results in Ottawa-Carleton yesterday.

* * *

PUBLIC WORKS

PROPOSED JUDICIAL INQUIRY INTO LEASE ARRANGEMENTS FOR TERRASSE DE LA CHAUDIÈRE—MOTION UNDER S.O. 43

Mr. Ron Huntington (Capilano): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. On July 13, 1976 in *Hansard* at page 15286 the former minister of public works said that no agreement had been signed with the Campeau Corporation concerning Les Terrasses de la Chaudière project in Hull, Quebec.

In view of the fact that the Campeau Corporation under date of June 28, 1976 had an information circular in the hands of certain financial houses in Canada for the purpose of raising $148,500,000 and also the fact that only eight days after the minister's statement in this House the Department of Public Works had signed extensive documents of lease with the Campeau Corporation, and because the terms of the documents indicate a financing factor of approximately $50 million more than a reasonable estimate of cost for the area leased by the government, I move, seconded by the hon. member for York-Simcoe (Mr. Stevens):

That all further progress on construction and financial arrangements cease until all matters pertaining to possible conflict of interest and the apparent excesses involved in the financial arrangements have been examined by a judicial inquiry.

Mr. Speaker: Order please. Such a motion pursuant to Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PROHIBITION AGAINST USE OF HOUSE FACILITIES BY NON-UNION MEMBERS OF CANADIAN PRESS—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. I move, seconded by the hon. member for Cape Breton-The Sydneys (Mr. Muir) and agreed to I understand by the Minister of Labour (Mr. Munro):

That this House agrees that no scab employees of Canadian Press be allowed to work in this House by using the press, diplomatic or any other gallery.

Mr. Speaker: Order please. Such a motion pursuant to Standing Order 43 could be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: Who said no?

* * *

AGRICULTURE

ALLEGED ERRONEOUS STATEMENT BY MINISTER CONCERNING UNITED STATES QUOTA ON BEEF—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of vital importance to members of this House as well as to Canadian beef producers arising from a statement by the Minister of Agriculture (Mr. Whelan) that the United States had agreed to allow a 90 million pound beef export quota for Canada, causing embarrassment to citizens on both sides of the border when it was found that the statement was not in accordance with the facts. Therefore, I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn):

That the Minister of Agriculture make a statement in this House explaining why he used the 90 million pound figure and at the same time inform the House and beef producers what mechanism will be used to trigger the granting of import permits for Australian and New Zealand beef.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Oral questions.

Mr. Muir: On a point of order, Mr. Speaker, I apologize to you and to my leader who will be the next Prime Minister of this country. With regard to the motion under Standing Order 43 moved by the hon. member for Yorkton-Melville, I understood that there was agreement on the part of the Minister of Labour. I thought there was unanimous consent but someone tells me that some member of the Liberal party said no.

Mr. Speaker: Order, please.

Mr. Muir: We have an identification. We know who said no.

Mr. Speaker: Order, please. Before the hon. member goes further let me tell him that I heard "no" from both sides of the House with respect to the motion.

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

REQUEST FOR TABLING ALL DOCUMENTS ON WHICH FUTURE ECONOMIC POLICY MAY BE BASED

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question to ask which would normally be directed to the Prime Minister. He is not here, having found it prudent to leave the country. I should like to direct my question in his absence to the Minister of Finance. Now that we have received the document entitled "The Way Ahead" which is generally recognized as a document full of generalities—

Mr. Fairweather: And retreat.

Mr. Clark: —would the Minister of Finance be prepared to table in the House all of the documents which we assume have been prepared during the last six months by the group known as the DM-10 group, so that we can debate in this House all economic options facing this country on the basis of more than the platitudes included in the document entitled "The Way Ahead."

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, a great deal of preparatory work has been done on many aspects of public policy, as has always been the case, preceded by documents which have been submitted to cabinet. I do not know in this particular case why we should depart from the longstanding tradition under which cabinet documents and cabinet discussions themselves are accorded confidentiality. I think it is important in these particular discussions that hard alternatives should be discussed at the cabinet level, and for this purpose there should be a wide review of the questions which face the country and are before cabinet. The critical thing, which has always been so in our parliamentary system, is to what the government has committed itself. We have set out in the document "The Way Ahead" the analysis of circumstances which we think brought about the present situation in Canada, and an indication of the government's trends in the future. We would use this document for the purpose of discussions with Canadians generally and specific groups in particular, many of whom have asked us to put this kind of indication before parliament and the country.

REQUEST FOR REFERENCE OF DOCUMENT ENTITLED "THE WAY AHEAD" TO COMMITTEE

Mr. Joe Clark (Leader of the Opposition): A supplementary question, Mr. Speaker. Many of us had been led to hope that there might be a movement away from that kind of secrecy because of the inclusion in the Speech from the Throne of the following words:

> . . . the Government will increase the number and range of internal documents available to the public.

We can assume that that is simply another empty promise in the Speech from the Throne.

Some hon. Members: Oh, oh!

Mr. Clark: Mr. Speaker, as far as we are concerned, that general document is simply an inadequate basis. I ask the minister, first, to reconsider his decision to hold closely information that should be available to the whole country—

Mr. Speaker: Order, please. With respect, perhaps the Leader of the Opposition might ask his supplementary question.

Mr. Clark: Mr. Speaker, I ask the minister if he will not reconsider his decision to closely hold within the secret confines of the government documents prepared for the whole House and country. Second, I ask if he will please, in order that we may begin discussions in this House, the place which should be the proper focus of the discussions of the economic options facing this country, make an immediate reference to the Standing Committee on Finance, Trade and Economic Affairs not only of the document of generalities entitled "The Way Ahead" but also of the other documents prepared by the DM-10 group in secret and so far kept from the people of Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, there have been no documents prepared for the people of Canada that have not been made public.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Indeed, the document "The Way Ahead" was prepared expressly for that purpose. If the hon. member is saying that cabinet documentation and cabinet proceedings should hereafter be made public—that is an interesting point. I take it that is a promise he would be making to Canadians if he ever became Prime Minister.

Some hon. Members: Oh, oh!

● (1120)

Mr. Macdonald (Rosedale): However, the parliamentary system and the system of cabinet government in Canada, as in the United Kingdom, has involved confidential discussions within cabinet. I think there are sound reasons for that which the hon. member might do well to study.

Mr. Fairweather: Your predecessor, John Turner.

Mr. Macdonald (Rosedale): I just point out to the hon. member for Fundy-Royal that in his proposals my predecessor specifically exempted this type of document from publication.

Some hon. Members: Oh, oh!

Mr. Clark: Although the man is in Japan, the spirit of evasion persists.

Some hon. Members: Hear, hear!

Mr. Clark: I ask the minister to answer my question. Will he give us an immediate reference to the appropriate standing

committee of at least the document "The Way Ahead"? That is my first question. My second question is this. Will the minister seriously consider making available to the standing committee of parliament, to the representatives of the people here assembled, the documents that have been prepared for and by the group DM-10 so that the decisions as to the economic future of Canada will be taken by the whole Parliament of Canada, the people of Canada, and not by some secret little group which advises the minister?

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Speaker, I would be quite happy to have a reference of "The Way Ahead" to the standing committee. I am sure that my colleague, the President of the Privy Council, will be pleased to oblige in this regard. With regard to the question of documents prepared for cabinet consideration, I think that I have stated the position very clearly to the hon. member. Under our system, changes in policy, including changes in law, are put before parliament and the country by the government from time to time. That is what we intend to do with regard to various changes in substantive law and changes in the economic policy. The hon. member should know, although he apparently does not, that no group of public servants by themselves has the authority to make any change in either the positive law or the policy of the government.

* * *

ANTI-INFLATION ACT

DATE OF TERMINATION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Minister of Finance. As we consider "The Way Ahead" document, and further to the minister's reply yesterday in which he hinted that the anti-inflation program may be extended beyond December 1978, although it was admitted that such extension would require parliamentary approval, and as such an extension would appear to be running contrary to the Prime Minister's undertaking in this House of last week that the program would not in any event go beyond 1978, will the minister once and for all remove this uncertainty by confirming to the House that he will propose an amendment to the Anti-Inflation Act which would have the effect of deleting from the Act any reference to its provisions being extended beyond 1978?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the hon. member's statement that I hinted it would be extended is totally and completely false. The law is there. Termination is provided under the circumstances indicated in the law. There does not seem to be any necessity to bring in a change. The law will come to an end in accordance with its own terms.

Mr. Stevens: The Prime Minister made a clear statement at the *Financial Post* conference in Toronto, and I quote:

[Mr. Clark.]

The controls will expire before the end of 1978, and sooner if economic circumstances are favourable. They will not be extended. They will end.

In view of that statement, will the minister indicate why he declines to move an amendment to the present act to make it legislatively impossible, as far as Bill C-73 is concerned to extend the controls beyond 1978.

Mr. Macdonald (Rosedale): Because that is the current effect of the law, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED CHANGE IN REGULATIONS CONCERNING ELIGIBILITY—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Will the minister explain to the House why the cabinet has recently decided to change unemployment insurance regulations in a way that will make it mandatory that unemployed Canadians will have to take LIP or related kinds of short-run employment as a condition for further UIC eligibility?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, that is not quite the way the system works. That is a slight bit of misinformation being given by the hon. member.

Mr. Broadbent: I would welcome a correction, then, as I am sure would others. I might say I have my information on reasonably good authority, the words of the minister himself. Now, I should like to ask a supplementary question. Would the hon. gentleman explain why, if men and women are to be compelled to take such short-run jobs, as I understand is the intention of the government, the government has decided that any earnings which come from such employment shall not be included in determining the level of future earnings for which the individual concerned would be eligible in terms of the scheme? I should like the minister to give a clear answer, because what seems to be involved here is a fundamental and serious change to the Unemployment Insurance Act.

Mr. Cullen: Again, the leader of the New Democratic Party is wrong about the compulsion aspect, and because the premise is wrong I do not see there is any need to answer the latter part of the question.

Mr. Broadbent: Will the minister offer an assurance, then, that the government does not intend to change the Unemployment Insurance Act or regulations in such a way as to oblige Canadians, in order to be eligible for UIC benefits, to take employment under LIP, or related employment, without all the earnings they get from such employment being used to determine future levels of benefit?

Mr. Cullen: Rather than get into a debate on a bill which has yet to be tabled in the House, I think we had better wait

until that point before I give the hon. gentleman the answers he is seeking.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR INCREASE IN PRICE OF PORK TO AID PRODUCERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Agriculture. Is he aware that pork is currently sold at 53 cents a pound in Toronto while production costs reach between 57 and 59 cents a pound? Then can the minister tell the House whether he will do something to improve the situation and help producers stay in business?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): It is true this price has become depressed, just in recent days, and we are very aware of it. We also know, as do the pork producers concerned, that price stabilization arrangements apply to that product and, if necessary, they will be used. By law we would be obliged to use them.

[*Translation*]

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

Is the minister aware that it may take five or six months to implement this price stabilization policy? Since it is the first time pork prices have been decreasing in the last three years, does the minister believe that this price stabilization policy will have concrete results the moment prices start declining?

[*English*]

Mr. Whelan: No, Mr. Speaker, because by law it has to be announced at the year end. An announcement might be made earlier, if desired—it could be done on a quarterly or six-months basis—but there has been no demand from producers, no representation that we should take immediate action. In any case, I think it would be highly unlikely we would be able to do anything before the end of the year.

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PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE PROJECT—REQUEST FOR TABLING OF REPORT ON LEASE ARRANGEMENT

Mr. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of Public Works. Has the hon. gentleman received the report requested of his officials regarding the terms and circumstances surrounding the lease-purchase agreement with the Campeau Corporation in connection with the Les Terrasses de la Chaudière project and, if so, will he table that report?

Hon. Judd Buchanan (Minister of Public Works): I have not yet received a report. I shall be meeting with my officials on the question this afternoon and we shall have a report at that time.

● (1130)

Mr. Huntington: A supplementary question, Mr. Speaker. May I ask the minister whether he has made a request of the builder-lessor of Les Terrasses de la Chaudière project to cease financing and construction plans until the minister has had a chance to gain a clear understanding of the "unusual arrangement" surrounding this deal and satisfy himself that it is indeed in the best interests of the government and the taxpayers of this country?

Mr. Buchanan: No, Mr. Speaker, I have not. I have asked, as I indicated to the hon. member prior to the sitting of the House, for significant details of this, but it is my understanding that we are in a position where we are into a confirmed and binding contract. However, these are matters that I intend to pursue with my officials.

* * *

NATIONAL CAPITAL COMMISSION

DATE OF APPOINTMENT OF CHAIRMAN

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Is the minister prepared to announce the appointment of a new chairman of the National Capital Commission to fill the position that has been vacant since July 1 of this year?

Hon. Barney Danson (Minister of State for Urban Affairs): No, Mr. Speaker, I am not yet prepared to make that announcement.

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EXTERNAL AFFAIRS

INCARCERATION OF SHARON BETHUNE IN MEXICO—REQUEST FOR REPORT

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Secretary of State for External Affairs. It is the one I asked him yesterday regarding Miss Bethune who is in a Mexican jail. I understand the minister has an answer for me.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker. The young lady in question, Miss Bethune, is going to be released either today or tomorrow. She will be turned over to the Mexican immigration authorities and is expected back in Canada within a few days.

Oral Questions

ADMINISTRATION OF JUSTICE

PROPOSED CHANGES IN TRIAL PROCEDURES—REQUEST FOR CLARIFICATION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Minister of Justice a question in light of his answer given on October 14, which seemed somewhat ambiguous. The minister said at that time:

—I am not in a position to say at this time whether any bill will be introduced—

As a result of that answer I asked him about the abolition of the jury system and preliminary hearings, and he assured me that there would be no abolition. What bill does the minister contemplate if he is not going to interfere with the jury system and preliminary hearings or with the right of an accused person to remain silent?

Hon. Ron Basford (Minister of Justice): A bill dealing with matters upon which the Law Reform Commission of Canada has reported, Mr. Speaker.

Mr. Woolliams: Mr. Speaker, I cannot understand why the Minister of Justice is laughing because I regard this as a very serious matter. As I take the minister's answer, he said he was going to introduce some legislation to expedite trials in this country. What kind of legislation is he talking about, or is he playing ducks and drakes with the Canadian people and intends to interfere with the jury system and preliminary hearings? Let him come clean.

Mr. Basford: Mr. Speaker, at my request the chairman of the Law Reform Commission last winter put together a task force of people to examine the whole law relating to pre-trial delays and pre-trial procedures. Those proposals were discussed tentatively with my provincial counterparts, the attorneys general, and by our respective officials. No conclusions have been arrived at as to what, if any, federal legislation would be helpful or useful in dealing with the question of pre-trial delays and pre-trial procedures. Therefore I have not, of course, made any recommendation to my colleagues. I am not in a position to indicate when I will be in a position to make any recommendations; therefore I am not able to assure the hon. member when or if a bill will be introduced.

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GOVERNMENT ADMINISTRATION

PROPOSED CHANGES IN ACCOUNTING METHODS AND FORM OF PRESENTING ESTIMATES—REQUEST FOR PROGRESS REPORT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. Given the fact that the state of the government's management and controls systems is significantly below acceptable standards of quality and effectiveness and the fact that the Auditor General, in testimony before the public accounts committee, revealed that unless the systems are corrected the day may very well come when a clear certificate of the accounts of Canada cannot be given, may I ask the President of the Treasury Board when he will be in a position to present to parliament an up to date progress report on the implementation of the recommendations of the Auditor General, as was agreed to in committee, in order that we might restore some confidence in the government's ability to manage and control the financial affairs of this country?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, there has been some discussion of this matter between myself and the Auditor General and I consider it to have been very helpful and constructive. As to the precise date when I will be able to do what the hon. member suggests, I can only say that it will be at the first possible opportunity. I want a little more time to digest some of the details, although I am aware of the need to move on this. Indeed, some action has been taken already with the appointment and establishment of a deputy secretary within the Treasury Board secretariat with the precise responsibility of monitoring and expanding financial controls and financial management, which is a step in the direction of the recommendation of the Auditor General. I share the hon. member's concern and I want to get at it as quickly as possible.

Mr. Mazankowski: A supplementary question, Mr. Speaker. Dealing specifically with the form and content of the estimates, might I ask the President of the Treasury Board whether the review has been completed, whether changes are contemplated and, if so, whether such changes will be incorporated in the estimates of the next fiscal year. Might I also ask the President of the Treasury Board whether he will be asking members of parliament for their suggestions and input regarding the form and content of the estimates. I ask this particularly because it is members of parliament who are charged with the task of scrutinizing and examining the estimates.

Mr. Andras: Mr. Speaker, I am not certain about the possibility that we can change the form of the estimates in time for the tabling of the main estimates for 1977-78. I really want some more time to get into the details of this matter. Indeed, in one form or another I would very much welcome the suggestions of those members who have delved into this and are interested in and informed upon it. I will look forward to that kind of suggestion from them, although I cannot now give the exact form in which it should come.

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ENERGY

GOVERNMENT POSITION ON REQUEST OF NOVA SCOTIA FOR ASSISTANCE WITH COST OF ELECTRICITY

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources with respect to the mysterious request for aid for electric power from the province of Nova Scotia, which has not been disclosed but which the minister says and has said for the last six months is being considered. I ask the minister, who is trying to fool whom? When may we expect a decision from the govern-

ment as to how it is dealing with this mysterious request which has not been disclosed, particularly in light of the fact that the premier of Prince Edward Island has said that the minister has indicated that nothing is being favourably considered, and particularly in view of the fact that some important rate increase hearings are taking place in Nova Scotia which will be affected by any decision made by the government. When is the minister going to come clean in this?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I answered a very similar question from the hon. member's colleague, the member for Hillsborough, last week. I indicated that there was no change in the government's position; this matter is still under consideration.

Mr. Stanfield: A supplementary question, Mr. Speaker. How does the minister expect us to take him seriously when I know that he does want to be taken seriously on this question? When is he going to give a decision with regard to this mysterious, unknown request? Would he also tell the House how he is getting along with his alternative proposal, which I judge to be his true position, that a study should be made of full integration and pooling arrangements. What is the minister's position there? Is he going to continue to fool around with the question, the same as he is fooling around with this other mysterious request, or can he report progress there?

Mr. Gillespie: Mr. Speaker, I am very anxious to proceed as quickly as possible with a grid and power pooling study. I have received from the three provincial premiers letters which clearly, I think, can be said to be agreement in principle. However, the hon. member will realize that there are differences of view between some of the provinces, and it is those differences of view which at the present moment I am trying to reconcile so that we can come up with a particular term of reference for the study. I must say that the response I have received has been constructive and, indeed, I am optimistic that it may be possible to put together a term of reference in the very near future.

* * *

● (1140)

EXTERNAL AFFAIRS

GOVERNMENT POSITION ON PUBLICATION OF NAMES OF COMPANIES PARTICIPATING IN BOYCOTT OF ISRAEL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the expression of support for the State of Israel by the Secretary of State for External Affairs during the recent visit of the Israeli foreign minister, is the government giving consideration to following the example of the United States Congress Department, which has published the names of U.S. corporations participating in the boycott of Israeli companies, by publishing the names of Canadian corporations which have complied with the requests or demands by Arab countries that any corporations doing business with Arab countries refuse to do business in or with the State of Israel?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will not necessarily be following the example of the United States Congress, and I do not think the hon. member would necessarily want to have us do that, but I will be making a statement with regard to the boycott, if not tomorrow then on Thursday.

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[*Translation*]

AIRPORTS

REQUEST FOR IMPROVEMENT OF FACILITIES AT ÎLES-DE-LA-MADELEINE

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I wish to ask a question of the Minister of Transport.

In view of the importance the government and the minister in particular give with good reason to safety in air transportation, could the minister inform the House and the impatient community of the Magdalen Islands whether his department intends to take action further to my requests, representations and supplications, as well as those of the people from the Magdalen Islands, and authorize immediately the long required improvement of airport facilities at the Magdalen Islands in order to provide the population with a safe and adequate air service? May I remind the minister that the plane is the only transportation means to and from the Magdalen Islands during winter!

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I can assure the hon. member that I have taken note of this and his previous representations with regard to the air needs of Îles-de-la-Madeleine. We are looking very closely at them and I hope to be able to give him and the people who live there a clear indication before too long of the plans for improvements to the facilities that we will foresee.

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EXTERNAL AFFAIRS

RHODESIA—PURPOSE OF PROPOSED TRANSITION FUND—SUGGESTED PARLIAMENTARY APPROVAL BEFORE PARTICIPATION IN FUND

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is to the Secretary of State for External Affairs and is further to the minister's statement to the press in Washington last Friday. Will he inform the House if the proposed transition fund agreed to between himself and Dr. Kissinger is intended to help Rhodesia and her government improve her economic status, or is it to be used mainly for the purpose of helping white Rhodesians leave their country to settle in other countries including Canada?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am glad to be able to answer the question. Before doing so I should emphasize, however, that there was no agreement with regard to this matter between Canada and the United States, for the simple reason that Secretary Kissinger indicated they were not ready as yet to indicate in detail what kind of proposal they were making. He made it clear that he would hope for Canadian participation in the fund.

As to the substance of the hon. member's question, as I understood it from Mr. Kissinger the objective of the fund is to stabilize or to help stabilize the economy of Rhodesia, and also to discourage a mass exodus, I think was the word I used at the press conference in this regard, of white Rhodesians following the establishment of a majority government in that country. In other words, the fund would be weighted, as it was explained to me, in favour of those who are going to remain in Rhodesia, or who are prepared to remain there and carry on their normal activities.

Mr. Wagner: Mr. Speaker, since there was no agreement, will the minister assure this House that before any specific commitment is made by Canada in this regard parliament will have an opportunity to debate the whole matter, preferably by way of a resolution introduced by the government in this House?

Mr. Jamieson: Mr. Speaker, I do not know what is the appropriate technique, but I can certainly assure the hon. member that, in so far as I personally am concerned, I would be very glad to make available to the House, or to do it publicly, whatever proposals are put forward and to provide an opportunity to discuss them. I emphasize that this is premature at the moment because nothing has been transmitted between us other than the explanation the secretary gave me during my visit.

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HOUSING

ALLEGATION CANADIAN DEVELOPERS MOVING OPERATIONS TO UNITED STATES—GOVERNMENT ACTION

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I should like to direct a question to the Minister of State for Urban Affairs, of which I gave him notice last week, having to do with activity in the United States by Canadian housing developers. Is the minister aware of this exodus of Canadian housing equity investment capital and Canadian knowhow to the United States, and has he been able to determine the extent and amount of it?

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker, and I thank the hon. member for his notice. Indeed, I have been aware of the situation for well over a year, almost two years, that is, that Canadian developers have been expanding their operations into the United States. I see nothing wrong with Canadian corporations becoming multinational corporations as long as that is not to the detriment of our Canadian industry. The housing starts and the activities of these same companies in Canada to date would indicate that it is not to the detriment of activity in the housing field here. Indeed, we are going at close to local records.

Mr. Whiteway: Mr. Speaker, does the minister interpret the export of both Canadian equity money and Canadian knowhow and ingenuity, which normally would be invested and put to use in Canada building houses for Canadians, as a reflection of either a loss of market confidence in Canada or the result of the controls program? Could the minister be more specific as to why there has been this dramatic shift in the last several months of this housing activity from Canada to the United States?

Mr. Speaker: Order, please. The question is one of vital concern, I am sure, but obviously it deserves a much longer and more thorough answer than can be given during the question period.

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ENVIRONMENTAL AFFAIRS

POSSIBILITY OF BANNING AEROSOL SPRAYS—GOVERNMENT POSITION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is to the Minister of State (Fisheries) and the Environment, to whom I extend my personal and sincere congratulations on the occasion of his additional Cabinet responsibility.

Some hon. Members: Hear, hear!

Mr. Jarvis: It will come as no surprise to the Minister that my question arises out of the United States National Academy of Sciences' report regarding the imminent threat to our environment caused by the continued use of aerosol sprays containing fluorocarbons, and it is further prompted by their announcement last week of a phasing out of the use of these aerosol sprays that threaten our ozone layer. Will the minister advise whether he intends in concert, of course, with the provinces to ban aerosol sprays containing fluorocarbons and, if so, within what time frame will that ban or phase-out occur?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, I wish to thank the hon. member for his kind words, and I will be looking forward to his questions as the days pass. The subject he raises is one which can only be attacked in a global way since it is a global problem. He is right to tie it to co-operation between not only the provinces and the federal government but between nations. We have taken note of the recommendations of the United States Academy of Sciences. We have on the books, in the Environmental Contaminants Act, a provision which affords the possibility of acting very quickly. I am expecting a report from a committee which was set up sometime ago to look at this very question and which is to report within a matter of weeks. I hope to be in a better position to answer fully. I have

also asked that the industry which is involved in this area be informed that we are looking at this problem with a view to replacing the use of fluorochloromethanes when the time comes.

Mr. Jarvis: Mr. Speaker, is the hon. gentleman aware that almost two years ago officials of his atomospheric environmental service were very anxious that action be taken at that time, and, in view of that, will he tell the House what discussions are scheduled with his counterparts in either the environmental protection agency of the United States or its food and drug administration officials? In this regard, will the minister now commit himself to saying that if we can act in concert with the United States we will do so without waiting to obtain an agreement with western European countries? Will he act at least in a North American context before he feels it is necessary to obtain a European agreement on the ban of aerosol sprays?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I would have to check the records as long ago as two years to see what was the recommendation of the officials of the department. Certainly we are in constant communication with United States authorities in this area and we know that we have to act in concert with them. I can certainly assure the hon. member that if the recommendations of the scientists to me are of such a nature that action on the North American continent is advised, then I would not hesitate to act. At the moment, we have in the law books the capacity to do it.

* * *

● (1150)

PATENTS

GOVERNMENT INTENTIONS WITH REGARD TO REVISION OF THE LAW

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. Considering the representations which the minister has received from lawyers, businessmen and inventors from all over Canada relating to the negative effects which could result from the government's working paper on the patent law revision and the proposed law itself, is it still the intention of the minister to proceed with the law?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, the paper was produced for the very purpose of gaining advice from the business community in particular, and I can assure the hon. member that we are not going to introduce a law which will be injurious to the country in this area. I can assure him that there will be no early introduction of such a bill in any event until we have had exhaustive discussions.

[*Later:*]

Mr. Grafftey: I have a supplementary question for the minister. I am fully aware that the minister has received from practically the same people the same representations that I and my committee have. I wish to ask him by way of a supplementary question whether, in view of the fact that it is the government's announced intention in the throne speech to encourage enterprise and individual initiative—I am sure the minister has heard that the proposed law could end invention and a positive patent law in this country—the minister will now shelve this law prepared by his predecessor and simply start a new one?

Mr. Abbott: No, Mr. Speaker. I must confess that I have not yet studied the matter as carefully as I am sure my hon. friend has. I am aware of the very wide number of representations, but until I have studied them and consulted my officials in this regard, I certainly do not intend to shelve the intentions of the department.

Mr. Broadbent: Don't be too candid over there.

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CONSUMER AFFAIRS

STANDARDS FOR RUST-PROOFING OF MOTOR VEHICLES—GOVERNMENT POSITION

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): While I am on my feet, Mr. Speaker, perhaps I may be permitted to say that I re-read my answer to the hon. member for Prince Edward-Hastings yesterday and I must confess that I thought his criticism was accurate and that it was a rather fuzzy and waffling answer.

Some hon. Members: Hear, hear!

Mr. Abbott: I thought of much more clever answers during the night, but I would simply like to say now that on reflection I agree that Canadian automobiles are subjected to heavy corrosive conditions. I think automobile companies are really failing to meet the proper standards in this regard. I intend to have early discussions with those companies.

Some hon. Members: Hear, hear!

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TRANSPORT

RENT INCREASES FOR ACCOMMODATIONS FOR EMPLOYEES—APPROVAL OF ANTI-INFLATION BOARD

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the Minister of Transport conveyed the decision to raise rental rates for employees of his department living in accommodations rented by his department by as much as 300 per cent, can the minister indicate whether he has communicated with the Anti-Inflation Board to determine whether this is acceptable under their guidelines and, if not, whether he intends to do so before making a final decision on this change?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would be glad to look at any specific case that the hon. member has in mind. Generally, of course, where charges do not reflect full costs there is the possibility of raising those charges without contravening the guidelines. It is really a question of whether or not the taxpayer pays the difference. We have been examining some of these charges but I will be glad to look at the specific one to which the hon. member refers.

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THE CANADIAN ECONOMY

INVESTMENT IN UNITED STATES BY CANADIAN FIRMS—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of a report by the Conference Board that Canadian firms led all foreign investors in the United States in the third quarter and in view of the fact that it was not just a day of protest by those firms but a year long investment strike in the country, I should like to ask the minister what action he will take to stop the strike of Canadian investment in Canada by Canadian firms.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, indeed that is a very serious problem. We are now in the process of studying the situation. The fact that productivity has decreased in Canada and that in some sectors salaries have increased more quickly than in the United States obviously alters our competitive position in that field. I trust, therefore, that Canadians will realize that by demanding too much of the Canadian economy, that type of problem can be perpetuated.

[*English*]

Mr. Nystrom: I should like to ask the minister whether or not he will be in direct communication with the striking firms and, if so, what will he be saying to them individually and what action will he be taking with them?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I can give no specific answer to the hon. member at this time.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the President of the Treasury Board who, because of his experience, will surely appreciate its validity.

Because of the great number of able-bodied persons now unemployed, because LIP is intended to create jobs to reduce unemployment and because several MPs of my area—including the Liberal member for Lévis who said so in his speech on October 15—find that the moneys earmarked for LIP projects are quite insufficient, may I ask the President of the Treasury Board whether he is willing to recommend to his cabinet colleagues that additional credits be allotted the Department of Manpower so that more LIP projects can be implemented without delay?

[*English*]

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I believe my colleague, the Minister of Manpower and Immigration, will be elaborating on certain measures in the course of the debate in the Speech from the Throne, and I surmise that the hon. member will be quite satisfied with the information that my colleague will be conveying.

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SCIENCE AND TECHNOLOGY

REFUSAL OF DEPARTMENT TO RELEASE COPIES OF STUDIES TO MEMBER—GOVERNMENT ACTION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I have a question for the Minister of State for Science and Technology. First, I would like to congratulate him on his appointment and wish him well in his performance of his various duties.

Some hon. Members: Hear, hear!

Mr. Kempling: The former minister instructed the deputy minister of the Department of Science and Technology to release to me upon my request studies that had been done on a variety of subjects. This was conveyed to me by the deputy minister and confirmed by the former minister. When I requested to see a series of studies that had been completed, I was told they could not be released without the permission of the person who had prepared them and that permission was not forthcoming. Will the minister review this matter and tell me whether or not a veil of secrecy extends over his department and whether his numerous staff members have veto power over a clear directive by the minister?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): Mr. Speaker, I thank the hon. member for his good wishes. I will certainly review the matter he mentioned. I would have no difficulty in living up to an undertaking by my predecessor but I would like to look into it.

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ENERGY

DATE OF INTRODUCTION OF LEGISLATION GOVERNING EXPLORATION FOR OIL ON GOVERNMENT PROPERTY

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the

minister tell us whether or not the government intends to introduce legislation in this session to bring into effect the regulations governing exploration and development of oil on federal property?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, yes, and that was set forth in the Speech from the Throne.

Mr. Gillies: I raised this question, Mr. Speaker, because it was not quite clear in the Speech from the Throne whether or not the government intended to do it in this session. Are the rumours correct that major changes are being proposed in these regulations before they come forth at the next session?

Mr. Gillespie: I do not know where the hon. member is getting his information. I have stated the position of the government in the past. My colleague, the Minister of Indian Affairs and Northern Development, and I made public the principles governing the new legislation and the legislation is now being drafted. It will be placed before the House in due course. Of course, all the parties will have an opportunity to put forward any proposals they may wish.

* * *

● (1200)

AIR CANADA

DATE OF APPOINTMENT OF CHAIRMAN AND REFERENCE OF ANNUAL REPORT TO COMMITTEE—POSSIBILITY OF AMENDMENTS TO ACT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question, and first and second supplementaries are to the Minister of Transport relating to Air Canada. I wonder if the minister could inform the House as to when it is anticipated there will be an appointment of a permanent chairman of Air Canada.

In view of the promises of the minister, could he tell us if it is anticipated that we will have amendments to the Air Canada Act this session?

Finally, in view of the fact that there has not been a reference of the annual report of Air Canada to the Standing Committee on Transport and Communications since 1973, will the minister give a firm undertaking that this will be done in the very near future?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think the question of the chairmanship may be decided in the very near future, although I must say that the acting chairman, Mr. Pierre Taschereau, has been doing a superb job in his role with Air Canada.

I am hopeful that the legislation which is now in a determined form can come forward, but that may depend upon the discussions the House leaders will have about how fast it can be brought forward. That might be a suitable time and vehicle with which to broaden discussion and include the annual report, but if that does not happen conveniently, I am prepared to discuss with hon. members on both sides of this House how we can best get the questions relating to Air Canada before a House committee.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

RESIGNATION OF MEMBER FOR MALPEQUE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I want to take advantage of this occasion to make a brief statement. It is a matter of personal privilege for me to say that I am resigning my seat in this House effective midnight tonight in order to contest a seat in the legislature in my home province of Prince Edward Island, where I have been chosen provincial leader of the Progressive Conservative Party.

Some hon. Members: Hear, hear!

Mr. MacLean: While I consider my new responsibilities a great challenge, it is naturally not without regrets that I leave this chamber after 25 years' service. I will especially miss the honour of representing the people of the constituency of Malpeque, some of whom were also members of my former constituency of Queen's. They have done me the honour of electing me ten consecutive times to this chamber, thus making me their representative in one third of the parliaments elected since Confederation.

Some hon. Members: Hear, hear!

Mr. MacLean: I would like to record my deep appreciation to you, Mr. Speaker, and to all the members and staff of this House for the many courtesies extended to me on so many occasions. I will miss the many friendships I have been fortunate to enjoy among you.

I will, of course, miss working in the parliamentary associations in which I have been active, and I will miss my work as chairman of the Standing Committee on Management and Members Services and the close association this entailed with the Commissioners of Internal Economy.

Whatever the future holds, I hope I may be able to retain at least most of the friendships I have enjoyed here. Let me wish you all continuing good health and satisfaction in your respective responsibilities to our country.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I feel it a considerable honour to have the opportunity to speak on the question of privilege which has been raised by the hon. member for Malpeque (Mr. MacLean).

I am sure that each and every member of the House shares the regret I feel at his departure from the House of Commons

after such a long and successful service. He was in the House of Commons when I entered in 1953. He had been elected in a by-election, I believe, in 1951, and when I entered, I regarded him as a well established veteran of the House.

Since that time he has added lustre to the chamber by his industry, his integrity and by the way in which he associated on a personal basis with members of the House in all parties. As a minister he performed exceedingly well, and following his departure from the ministry he has served as a member of the opposition, on committees and in the House of Commons in an extremely effective way. However, I believe all of us will remember Angus MacLean mostly for his personal qualities, his readiness to extend friendship and his high integrity.

He is leaving the House to take on new responsibilities, and judging from recent events he does not require good wishes from me in order to discharge those responsibilities.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, on behalf of my colleagues in the House I would like to join with the government House leader in extending our very warmest personal wishes to the hon. member for Malpeque (Mr. MacLean). As the government House leader has said, during his 25 years in the House the hon. member has distinguished himself as one of the truly exceptional gentlemen of this House, and that is said in the most positive sense. He is a man of honesty, integrity and personal commitment to the well-being of his constituents.

In expressing wishes for continuing good health and personal happiness to the hon. member in the most genuine fashion on behalf of my colleagues I, of course, want to make it abundantly clear that we do not extend these good wishes into the political domain. I am sure the hon. member understands that. We wish him well as he returns to his native island. We hope the political success he confronts there is not at all commensurate with the 100 per cent personal success we wish him.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am glad to join in with the two previous speakers, on behalf of the Social Credit Party of Canada, to congratulate the hon. member for Malpeque (Mr. MacLean) for the beautiful speech he made last night. In the person of the hon. member for Malpeque, Mr. J. Angus MacLean, the House of Commons loses an extraordinary man, an every day man of duty and also a man respected by all. I know he will surely fulfill other as honourable functions and that he will be as devoted as he was in the House of Commons. Our wishes of success and good health be with him.

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, we in my party, of course, have particular cause to appreciate the steadiness, the judgment, the integrity and the very good humour and sense of comradeship of Angus MacLean, the member of this parliament for Malpeque. He came to the House of Commons after a distinguished career as a bomber pilot, a career which won him the DFC. After a remarkable history of escape during the war he has served in this House as a respected member of the ministry of my colleague and predecessor the right hon. member for Prince Albert (Mr. Diefenbaker). He has impressed all of us who have had the privilege of knowing him with both his very warm human qualities and his capacity to offer solid, considered judgments and advice.

• (1210)

Some hon. Members: Hear, hear!

Mr. Clark: I know I speak for all of us who have had the privilege of serving in the leadership of my party when I say there are few members whose advice has been more helpful during the quarter century of service of Angus MacLean than the advice of the member of parliament for Malpeque.

While we in this House of Commons may differ in the degree of force with which we wish him well in future endeavours, that enthusiasm is unreserved in this party, and what might be seen now as a loss for the House of Commons of Canada is very much a gain for the province of Prince Edward Island.

Mr. Speaker: I hope hon. members will permit me to just add a word if I may. Not much can be added to the wonderful tributes that have been paid so deservedly to the Hon. Angus MacLean. May I only say that the Management and Members Services Committee is a recent addition to the roster of standing committees of the House and the work of that committee provides a service which potentially benefits or should benefit all members of the House. It benefits the Speaker of the House directly in the difficult decisions of attempting to strike a proper balance between those services which members require to fulfil their obligations and those which they deserve in terms of the financial burden of the estimates of the House.

For that committee to reach its maximum potential it really required in its infancy a chairman who ought probably to have come from the opposition side or at least have been able to demonstrate a very objective point of view, one who could bring to that post many years of experience both in and out of cabinet as well as a reputation for objective judgment and the respect of all of his colleagues. At the same time, that person should enjoy a reputation for a sane and sensible hand on the throttle.

I think we have all been deeply fortunate that we found such a chairman in the Hon. Angus MacLean. I wish to express my appreciation and that, I know, of all members for this latter aspect of a career which has been a great donation to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure all hon. members would also want to know that, although Room 16 is not quite large enough to accommodate everyone at lunch, I have invited a few of the hon. members' close colleagues, the members of that Management and Members Services Committee, as well as some of those who toiled with him in the Privy Council when he was there, to join us for lunch immediately. Unfortunately, I cannot invite everybody but I thought all hon. members would want to know we are not letting the occasion go unmarked.

* * *

ANTI-INFLATION BOARD

TABLING OF COPIES OF REFERENCES TO THE ADMINISTRATOR

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table copies of references from the Anti-Inflation Board to the Administrator under subsection 17(2) of the Anti-Inflation Act.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Monday, October 18, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, as one who has been a member of this House for many years I do not recall a previous occasion when there has been such an outpouring of praise, and deserved praise, as that to which we have just listened. Angus MacLean served in my cabinet with distinction. Above all, however, as I look back over the years I see him during those dark days of war establishing a record, an Odyssey of gallantry and courage, that will be read by this and future generations with appreciation for what he did and the honour he brought to their country. It is on occasions such as this that this House rises to its greatest heights, when in the cathedral of devotion and appreciation we let those who have served know that they have that "something" that one can earn in the House of Commons, that is, the appreciation of one's fellow members.

Having said that, sir, it would be natural that I should refer to the events of yesterday, and I do so not having to gild the lily in any way. By-elections, such as that which took place yesterday, reveal something that was dealt with by the hon. Leader of the Opposition (Mr. Clark) during his very able and eloquent address; namely, that members of the Liberal Party do not have to conduct a post mortem as to the reasons for what happened. They do not have to say "Who killed Cock Robin?" All they have to do is look at the empty seat.

I am in a particularly kindly humour today, Mr. Speaker. I am going to quote Humpty Dumpty with slight changes. I am not going to say "All the king's horses and all the king's men cannot put Humpty Dumpty together again" because that might annoy the Prime Minister (Mr. Trudeau)—the reference to the monarchy—so I will not do that. I therefore substitute: "All the multitudinous public relations men, speech writers, staff workers and $3 million worth of servants around the prime ministerial throne will not be able to put the Prime Minister together again."

Some hon. Members: Hear, hear!

● (1220)

Mr. Diefenbaker: I recall a famous occasion when the cabinet met at Meach Lake, so that nothing would be revealed. I can tell the government that nothing is less secret than such a secret meeting. I learned that over the years. The various ministers—the Minister of Justice (Mr. Basford), the Minister of Finance (Mr. Macdonald) and others—all said, "I am not to blame; I didn't do it; I am not responsible." They were of one mind but did not designate the one responsible. I submit that possibly the answer was given by the Prime Minister, on one of his peripatetic pilgrimages undertaken to restore his image and that of the government, when he said in New Brunswick, the situation is such that many Liberals are not as proud as they used to be to be Liberals. That's saying a lot—that is my observation. Finally, he pronounced as his considered opinion that a lot are running for cover; a lot are tired out, worn down, out of steam. You cannot improve on that, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Now, Sir, I must say a word about the new cabinet, about additions to it and repairs to it. I must refer to one minister particularly—I am sorry he has left—the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen) who now is President of the Privy Council. Sir, he is a parliamentarian of distinction. Just when he was getting used to his job and beginning to understand the intricacies of foreign affairs, he was demoted. I can hear him say with Cardinal Woolsey: had I but served God as diligently as I served the king, he would not have given me over in my grey years. Let me say this about the minister: It was not because of him that Canada is regarded by many countries as a fellow-traveller country. He maintained the principles for which this nation stood in the past, and I regret that he has given up the job. I know his genial successor will do his very best. He has a tremendous capacity for absorbing information and, in addition, for letting parliament know.

I was interested in the questions asked earlier this morning concerning secrecy. Mr. Speaker, the government opposite has an all-time record for concealment and equivocation. Although there is incorporated in the Speech from the Throne one of those generalizations concerning the expectation of the possibility of a hope for a change, I see not that repentance which should be evidenced by the government following the Rudnicki case. At one time those high in the echelons of the public service were servants of the people. They used to sign their

letters, "I have the honour to be, Sir, your obedient servant." They do not do it any more. They do not tell the people that they want to be their everlasting masters. That attitude was revealed in the Rudnicki case. Somebody took a document and stamped it confidential. Why, if all the papers marked confidential by the present government were not to be seen by those outside the cabinet who have eyes to see, there would be a great reduction in the amount of paper work in this country.

I recall being bitterly condemned by those who were then in opposition for having produced a document which the Department of Trade and Commerce, under the St. Laurent administration, had hidden. It contained information showing how seriously the economic conditions of Canada were being undermined. I did not get the document from the department: a member of the press handed it to me. I was condemned in 1958 for the horrible conduct of revealing its contents. In 1976, we are concerned about the Rudnicki case. Mr. Speaker, the government does not intend to appeal the decision; it is afraid to appeal.

An hon. Member: It knows it would lose.

Mr. Diefenbaker: We have seen the end, I hope, of attempts by the government to cover up with a rubber stamp.

Sir, what can one say about the new members of the cabinet? I like some of them very much; I will not deal with them all. Have you ever seen such musical chairs? Around and round they go; where they stop only the Prime Minister knows. I know how difficult it is for the Prime Minister to choose; but he will not have that difficulty in Winnipeg. I had hoped the hon. member for St. Boniface (Mr. Guay) would stay in the chamber. He was here a moment ago. Sir, there will be no difficulty at all in finding a successor to the former minister of national defence. It will be the genial member for St. Boniface who belongs, on the prairies, to a species rapidly becoming extinct.

An hon. Member: Don't count on that, John.

Mr. Diefenbaker: Mr. Speaker, I will be glad to answer questions, particularly from those who are not dry behind the ears.

I am delighted the hon. member for Kamloops-Cariboo (Mr. Marchand) was made a minister. I have thought of him as a friend during these years. He was given the small business portfolio. If he had been given the Indian Affairs portfolio I could well have understood it; but, strangely, he was given the small business portfolio, he not knowing anything about small business. His first trip, I am told, is to be to the U.S.S.R. If he follows what they have done to small business he will be without a portfolio before he gets back.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, it is wonderful to see the way the Liberal front benches disappear when I speak. I regard that as a tribute at all times.

[Mr. Diefenbaker.]

• (1230)

With regard to the hon. member for Skeena (Mrs. Campagnolo), I think I outdid the Prime Minister. About five weeks ago, as a parliamentary secretary, she spoke at Duck Lake on the one hundredth anniversary of the Indian Treaty. I predicted it would not be long before she would be a minister of the government. I am glad the Prime Minister took advantage of my recommendation, if he did. She is working under the Minister of National Health and Welfare (Mr. Lalonde). I would have dealt with him had he been here, but he is absent.

As far as fitness and amateur sport are concerned, it was a government that I had the honour to lead which brought in the first legislation—$5 million a year—to encourage amateur sport. When the Pearson government came in, it was not long before that was out.

Some hon. Members: Shame.

Mr. Diefenbaker: I was not going to go across the whole field, but I want to say one thing about the Minister of Consumer and Corporate Affairs (Mr. Abbott). His father and I came into the House of Commons at the same time. I always looked forward with expectation to the son following in the footsteps of his father. If he does, there will be no secrecy in that department because that is one thing his father did not permit while he held several portfolios in the government of Mackenzie King.

Then, there is the Secretary of State (Mr. Roberts). I have for him especially kind feelings. He has shown himself well in the House. Of the Postmaster General (Mr. Blais), all I have to say is that at the rate he is going, it will not be long before Mackasey will be in again.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Solicitor General (Mr. Fox), a young man whom I am sure will devote himself well to the problems he has, certainly inherits a position that requires on his part a great deal of effort to bring about responsible leadership in that department.

Having generalized in that way, I come to parliament because I never cease to wonder at this place. We saw an example today in the recognition given to the hon. member for Malpeque (Mr. MacLean). I am very pleased to learn that television is going to be introduced—they do not say when, but they say it will be—because I had the honour of bringing that about in 1957 insofar as the opening proceedings of parliament were concerned. It was criticized at the time, but it has been followed ever since. Television in the House of Commons will increase the quality as well as the quantity of members in this place.

There is something to which I particularly want to refer. I see the hon. member for Winnipeg North Centre (Mr. Knowles). I am going to speak of him. We are approaching the Queen's twenty-fifth anniversary. We are getting ready for it. I think of members in this House who have given tremendous service but have never sat in the Treasury benches. In the

United Kingdom, those who have become parliamentarians in their own right are honoured from time by being made members of Her Majesty's Imperial Privy Council, as it used to be called. I think that should be followed on this, the anniversary of Her Majesty.

I would like to see the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) made a member of Her Majesty's Privy Council in Canada. He would have been if he had remained premier of the province. All the premiers received it, and he was premier for years. He is a parliamentarian who has always given of his best with distinction.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The leader of the Creditistes, the hon. member for Témiscamingue (Mr. Caouette), has been in the House for years. Today, he is in hospital with a serious illness. I would like to see him honoured in this way because at the moment there is little or no hope of either a member of the NDP or the Creditistes being seated on the Treasury benches. I know the hon. member for Winnipeg North Centre is listening, even though he is pretending not to be—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I think of the devotion he has given through the years to parliament. Sometimes he is difficult. Sometimes he leads us along a rather unusual course. He is a parliamentarian who has been here for a long while. He first came here in 1942. He had a little break in 1958, but he came back thereafter. That was his sabbatical of four years. I would like to see him honoured.

No doubt there are others in the House who deserve to be honoured likewise. In addition, in the United Kingdom when a person becomes leader of Her Majesty's Loyal Opposition, it is not long before the honour is given. It should not be long in the case of the hon. member who today leads the opposition.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: As far as the debate is concerned, I am not going to express appreciation to the mover and seconder. It is a course I have followed through the years. That was done by my leader and what he said in that regard is acceptable.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Nothing could be more acceptable than appreciation. I have read the various speeches. I have not been able to be here. I need not say the reason. However, I endeavour at all times to be present, in particular when a speaker is making his or her maiden speech. I like to see young members come into the House. I was away on in years when I finally won. As long as parliament is able to mobilize outstanding young men and women in devotion to those things that will make Canada even greater, I will always honour constituencies that send them here. So much for preliminary remarks. I do not expect there will be much disagreement. The minister himself is in the House, and I may say he is a politician for whom I have much admiration.

• (1240)

What about the Speech from the Throne? Well, it was a presidential one. In the United States they call it a State of the Nation Address. Mr. Speaker, in every part of this nation today people are asking: Why doesn't parliament do something? Is parliament simply a place in which the Prime Minister utters grandiloquent expressions which die as soon as they effectuate the result for which he hopes? Take the phrase "the just society". Do you hear it any more? Or "the land is strong". It must have been!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: "Participatory democracy". With whom? "Co-operative federalism". Now, there's an expression.

Mr. Baker (Grenville-Carleton): Gone. All gone.

Mr. Diefenbaker: What does it amount to? "If you don't agree to my bringing the constitution to Canada, I threaten you I will bring it back unilaterally." That is what the Prime Minister said one day. And a few days later he said he didn't say it. But I heard him. Here is another. "The opportunity decade". That's a pretty good one. Well, he will have to do it in two years and that will be the shortest decade in all history.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The Prime Minister described his government as a "government of the middle". There is a mistake. One vowel is wrong. It should be "government of the muddle". I occupy an objective position today. I hold no position in my party and I am therefore able to weigh governments of today against those which preceded mine. I have never seen a government so accident prone. If they don't get one, they create one. No one can deny that this is an absent-minded government. The more I watch it in action the more I believe the Prime Minister meant what he said—one time—when, asked what politician or political writer had guided him the most, he uttered the immortal words: The one I particularly admire is Machiavelli. All I can tell you is that Machiavelli said in effect: Fool people, deceive them, and then, from time to time, give them little gifts; but pursue your course and do not object to untruths. That is what Machiavelli said almost 500 years ago. But it is surely not a proposition to be accepted today. I am not going to discuss financial matters.

I want to deal with the constitution and with the reference to bilingualism. It is a strange thing. With this country in a position such as I have never known it in before—divided, fearful—with those who supported the Liberal party through the years deeply concerned and not afraid, when they write, to sign their names; in a year when above all else, leadership should be here in the House of Commons, we see vacation piled on vacation. I know it is very nice to have vacations. I only had two short ones. But when the captain leaves the bridge, what happens to the ship? It is always enjoyable to

travel on luxurious yachts away from Ottawa. I might say, however, this criticism does not apply to the Prime Minister presently being in Japan or on the way there. I think that is a proper course for him to follow. But it is not something new.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the right hon. member but the time allotted to him has expired. He may, however, continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Diefenbaker: I was there. I was received most hospitably by the Prime Minister of Japan who became a close friend of mine and gave me his most valuable picture in the room where he had me sit with his cabinet. And the Emperor and Empress had Olive and me to lunch. I do not wish to digress but I always recall a story which indicates the sense of humour of the Empress. It had been reported that I was fond of hunting and the Emperor said to me through an interpretor: "We are going to take you hunting." I said: "What kind of guns do you use—what gauge?" He said: "We don't use guns, we use a net and as the ducks come in we pick them off along the canal." I said: "That looks all right to me. What kind of ducks?" "All kinds", said the Empress. "Mallards?" "Oh, yes." "Greenheads?" "No," said the Empress, "they are redheads; they originate in Siberia." Mr. Speaker, anyone with a sense of humour like that is worthy of being quoted.

I do not intend to deal with inflation except to say to the House that when I was prime minister we had the lowest rate of inflation in all the world—1.1 per cent. My authority for this is the former President Kennedy of the United States who was never one of my particular friends. One of the reasons was this. When it became known that a corporation was going to raise the price, for instance, of bread, the head of that corporation was communicated with and an explanation sought. Increased costs, and so on, he might say. Our reply was to this effect: All right, you go ahead. But as soon as you do there will be an investigation by the Combines Investigation Branch and if you are right you will be right, but if you are wrong proceedings will be taken. Believe me, they did not raise their prices very readily, though the action taken did not make me very popular in some quarters not too far from Ottawa.

● (1250)

What is the government's record on inflation? They can argue about it until the end of time, but I will simply quote from the record. After nearly a year of wage and price controls which were imposed to lower inflation, is the Canadian economy more competitive than its leading rivals in the world? Not according to the International Monetary Fund. A survey on world inflation was produced by economists at Citibank of New York. These economists suggest that Canada has not benefitted as much as most other nations from the break in inflation during the past year, and that its price performance is worse than in the years 1970-1975 while several other countries are doing better than they were. Such a report cannot be denied, Mr. Speaker.

[Mr. Diefenbaker.]

I am not going to deal with agriculture except to say that the farmers of this country are aroused as never before. Ask the cattle farmers and the dairy farmers what they think. I am not one who believes in mobocracy; I would be the last to approve the treatment given the Minister of Agriculture (Mr. Whelan) when he had a milk bath. Nevertheless, what happened gives him a position in history, that of being the only one since Cleopatra who has had a milk bath. She regularly had a bath but in goat's milk. And the analogy, Mr. Speaker, stops there.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I want to say a few words on the subject of the constitution. Every time the Prime Minister finds himself in difficulties—and they are overwhelming today—he suddenly conjures up some system or plan—and this is a case in point—of pseudo-philosophical abstractions or threats. The constitution is not his private property. Nor should it be the political plaything of the Liberal party. It belongs to all Canadians. It was made by Canadians for Canadians, was sent to the United Kingdom, and they approved it.

Today the myth is constantly propagated by the Liberal party that somehow or other Britain is hanging on to what was determined upon as the course by the great leaders who brought about confederation. I am not going to go into what I believe should be the amendment formula, but I do say that any amendment formula should place all provinces upon an equal footing, regardless of population.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I opposed the Victoria charter for one particular reason, among others, namely that the premiers of Saskatchewan and Manitoba had agreed that Manitoba and Saskatchewan would never have an opportunity to voice their opinions or the actual determinations of their governments because provision was made whereby only two of the four western provinces with the greatest population have any voice. We in Saskatchewan will never have that, nor will Manitoba. As a result those two provinces, with the approval of the NDP, are placed in a secondary position.

Sir, I am concerned about what is taking place in my country. I do not have to apologize for this, and I thank the hon. member for St. Hyacinthe (Mr. Wagner) for his reference to me the other day in this connection. All through my years at the bar and on the campaign trail I have pointed to the words of Sir Wilfrid Laurier, that this is a nation with two cultures and that to endeavour to intimidate either of them cannot and will not be accepted.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That was not popular at the bar and in 1921 or 1922 as a young lawyer I was warned over and over again. I undertook the appeal of the French trustees, Boutin and Ethier, who had been convicted of permitting the teaching of too much French in a public school. The case is reported and we were successful.

In 1957 and 1958 I told the people of the province of Quebec that they had not received their fair share of senior appointments, that the House of Commons, which is bilingual under the constitution, does not operate that way. It was my suggestion that brought about the simultaneous translation of the proceedings of this House. It was my recommendation and no one else's that appointed the first French Canadian governor general since Vaudreuil. I was criticized for that. Under my administration cheques and documents of that kind were printed in both languages. So don't start teaching me about the rights of the people of this country, whoever they are.

When I went into Quebec I said that the Liberals had preached over and over again how the Queen is of no consequence.

The Acting Speaker (Mr. Turner): Order, please.

Mr. Chrétien: Mr. Speaker, on a point of order, may I ask the right hon. member whether he intends to carry on at two o'clock? He has spoken for nearly an hour already.

Mr. Diefenbaker: That is for the House, Mr. Speaker. I should like to tell the House what my views are on the constitution; I do know something about it.

The Acting Speaker (Mr. Turner): It being one o'clock the House will now adjourn until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Diefenbaker: Mr. Speaker, before lunch I had come to the point where I was going to deal briefly with the constitution. I will deal with it at greater length on another occasion, as I have already spoken longer than I normally do.

Our Canadian parliament is made up of the Queen, the Senate and the House of Commons. The one question that keeps recurring in my mind is why there is such an ungodly rush to patriate the constitution. Mr. King tried, Mr. St. Laurent tried, and when I was prime minister we had it except for two very small matters. We delayed for a couple of weeks and then there were objections raised on a couple of matters by the premier of Quebec and the premier of Saskatchewan. Then Mr. Pearson tried, without success.

What is the reason for this rush? Why not take a little time? Great Britain does not want the matter brought to the attention of parliament regularly when we require amendments, but we have never been able to agree as to what the terms should be. Until we do agree, what do we bring back? What will we have gained by unilateral action? The parliament of Great Britain might say that this statute is repealed, and then what will we have for a constitution? What will come back to Canada? It will all be repealed and we will have to start all over again. I do not think anybody wants that.

What is behind this? I am not one who normally wonders about these things, but I must say that I was greatly interested in a speech delivered by the Prime Minister (Mr. Trudeau) on March 5, 1976, before the fifth provincial congress of the Liberal party of Canada. Let me read these words from this portion of the speech that was not distributed very widely and which has never been referred to. Let me read it without observation in order that I may conclude at the earliest possible moment. The Prime Minister said, and I quote from page 1:

—there is the division of powers that we have not been able to solve, there is the amending formula but most important of all there is what people call repatriation; basically this means that we are going to take away from England, the United Kingdom, this foreign country although it is a friend, the right to make laws for Canadians. It should not be very hard to come to an understanding on this point.

He goes on to say, after referring to Britain in rather unusual terminology, "this foreign country":

Do you think that the Queen of England will tell Bourassa: admit that Trudeau is right or tell me, admit that Bourassa is right?

I do not know how that arose. Then he rewrites history on page 2 by saying:

Every single Commonwealth country has done it. When the Westminster statute was adopted in England in 1931 it read exactly as follows: from now on the British Empire does no longer exist in those five countries, those five Commonwealth dominions. We will no longer make laws for them.

● (1410)

You were colonies before but in 1931 the English said: Well, South Africa, Australia, New Zealand, Ireland and Canada are now big enough to make their own laws. Canadians said no, we are not able to.

I am interested in the fact which he points out, that after the 1931 Statute of Westminster no longer were any of the countries colonies, and they were not at that time. He says they are now dominions, which answers once and for all the argument that the word "dominion" carries with it a connotation of colonialism. He went on to say:

What we are saying is that if we should not reach agreement, let us agree that from now on the English will not have the right to make laws for Canada. But this has to be done soon.

Then he said:

What we are trying to say is: Let us reach an agreement to bring back that constitution, let us do it without discussing the division of powers; we can always argue about it later; we do not need the Queen as an arbitrator, or Harold Wilson or the Pope for that matter. We are able to do it ourselves. This is what we are saying and I am adding, what if it did not work? You will have to make a decision and I think that there is even a resolution on this point. We should, perhaps, at that point, wonder if we should not do that on our own, if it will not simply be a matter of the Canadian parliament going to tell England: Stop making laws for us; we are going to discuss an amendment formula among Canadians.

The Prime Minister continued:

And I can see it coming, not too rapidly because we must not rush people too much but when we realize that it has been discussed for 49 years, I have the impression that we must not wait for another 49 years, because I will not always be there, at least me—

Then he went on to discuss separatism. He pretended that the Conservatives do not agree with the government and he said:

—Or even if the Tories do not agree with us and want to guide their campaign by saying: The Liberals should have left the constitution in England, so that the British could have kept on making laws for us—

That statement is repugnant to the truth. I hope that people who want the constitution to remain in England for a time will not defeat the majority. There is no one in Canada who does not want the constitution patriated. However, we still cannot agree on how it should be done. Then he said:

Now, since we are talking about England, I would like to say a few words about the Queen, as a transition, because next I would deal with the Olympic games—

He said he did not invite the Queen of England. Sir, let me say she is not only the Queen of England, she is the Queen of Canada.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He said he did not invite the Queen of England to open the Olympic Games; it was COJO who invited her. In fact, it was not COJO which invited the Queen. The agreements among the various countries constituting the Olympic organization contain a provision that the head of state opens the Olympic Games, and the head of state in Canada during the Olympics was Her Majesty the Queen. Then he said:

It is not Pierre Trudeau who invited her. But I would not have been ashamed to invite the Queen, for she is the head of the country.

Now we come to the key sentence, in which he said:

If, one of these days, we abolish monarchy, she will not be the head of state any more, it will be someone else, in this case, Jules Leger, it will be someone I will appoint.

This is a very fine dissertation, and I read it to those in the Liberal party who can explain this clearly and definitely.

He said, in effect, l'état c'est moi. Louis XIV was never more impressive than was the Prime Minister of Canada who said, "it will be someone I will appoint". He went on to say:

It does not mean, according to the present constitution that he or she will be better than the Queen, but it will be another constitution, it will not be a monarchy any more, it will be a republican parliamentary democracy—

Now you see what the rush is all about. Through the years from 1940 to 1976 his dream has been that there is something wrong with the Queen of Canada. Indeed, two years before he became Prime Minister he said, pay no attention to the Queen; she is of no more importance to me than skating or snowshoeing. He has never denied that since, and I said this when he was here.

Let me read further from what he said:

—and instead of having the Queen as head of state, we will have Jules Léger in Ottawa or Hughes Lapointe here—

He meant, in Quebec. Then he went on:

I do not think that it would change very much our legislative methods but I do not want to enter this subject now. I only want to state clearly that I am not the one who invited the Queen . . . The COJO invited the Queen.

[Mr. Diefenbaker.]

I could read a great deal more. These words cannot be interpreted in any other way but that when the constitution, or whatever remains of the BNA Act, comes to Canada, he will be in a position, not someone else, to appoint a president.

An hon. Member: Peter the kingmaker.

Mr. Diefenbaker: All I say is that I want to hear an explanation. This part of the speech did not receive the widespread circulation that the rest of the speech received. I will pay this tribute to the Prime Minister, that he distributes regularly transcripts of everything he says. I read them with interest and file them as a former prime minister would anything in the nature of historical documents of that kind. I want this to be explained. He said he will be the Prime Minister who will appoint a president. He said it will be a republican parliamentary democracy, and that instead of having the Queen we will have Jules Léger or Huges Lapointe.

I should like to know whether this is one of the reasons the former minister of national defence—who has not told the whole story—apparently found it necessary to resign. It would be very nice if the government would table this speech in the House, because it is clear and definite. The Prime Minister said this transition will take place soon and that he will make the appointment. Is that the reason for his ungodly haste to bring back something that some people regard as a document that can be carried back? You cannot take a thing like that back. It is either a statute of the United Kingdom or a Canadian statute. We all agreed to that at the time of confederation, and it was the French Canadians who insisted on a monarchy in 1867.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I am glad to hear the applause, because they are worthy of it. I want to know the government's interpretation of this speech. Are we to have a revision of the revision, as we have so often when statements are made and they arouse public opinion, and then the Prime Minister says he never made them? If all the denials of statements he made were factual, no member of the press gallery would have the right to lift his head, because every one of them has somehow or other recorded what the Prime Minister has said, only to find out that he did not say what he did say.

● (1420)

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, it is always a great occasion for anyone who rises to speak after the right hon. member for Prince Albert (Mr. Diefenbaker). We extended his time so that he could express his views about the constitution, but he came back and read from a speech and asked all kinds of mysterious questions. He did not have any answers. I would like to point out to the right hon. member that I was really shocked a few months ago when a member of his party criticized Her Majesty the Queen.

Some hon. Members: Shame.

Mr. Chrétien: I do not know why, but after the Queen delivered a great speech in Montreal on national unity, the hon. member for Leeds (Mr. Cossitt), a member of the same party as the right hon. gentleman, dared to criticize the Queen after she had performed magnificently in Canada during the Games.

Some hon. Members: Hear, hear!

Mr. Chrétien: I hope that some day the right hon. gentleman will sock it to the hon. member for Leeds for his discourtesy do the Queen. A Liberal member would never dare do such a thing. I am surprised that, in an effort to cover up, the right hon. member would rise today and try to appease the monarchists in Canada because some people on his side are giving a hard time to Her Majesty the Queen.

Some hon. Members: Shame.

Mr. Chrétien: The right hon. member spoke about the trips of the Prime Minister (Mr. Trudeau). I appreciate that the right hon. member spoke of the need for such trips, because it was a bit discourteous on the part of the Leader of the Opposition (Mr. Clark) to make bad remarks when the Prime Minister of this land is doing his job, going abroad to represent the best interests of all Canadians.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): That is the big question, is he doing his job?

Mr. Chrétien: I am very pleased today to go back into history, as the right hon. member likes to do. I see many happy faces opposite and hon. members wearing blue carnations. They are rejoicing because they won two by-elections. As Louis St. Laurent used to say, it is more important to win elections than by-elections.

Some hon. Members: Hear, hear!

An hon. Member: That was a Liberal saying.

Mr. Chrétien: A few years ago a great man, a one time finance minister and justice minister, once considered a potential prime minister, who after 13 years of Liberal government felt it was time to return to the practice of law, gave up his solidly Liberal seat and a by-election was called. There was a resounding victory for the Conservative party. It was a real shot in the arm for the new leader of the Conservative party and a great disappointment for the Liberal party. The right hon. member will remember very well that that minister was the late Hon. James L. Ilsley, a great minister. A little while later the Liberal government suffered a disastrous defeat in a by-election, this time in its stronghold in the province of Quebec. In the next general election the people of Canada were called upon to judge the two major political parties and what they had to offer to the country. The Liberals were returned with 192 members and the new Conservative leader, George Drew, and his Tories were crushed.

Some hon. Members: Hear, hear!

An hon. Member: That is all history.

Mr. Chrétien: I am sure the same thing would not have happened if at the previous convention the Tories had elected the right hon. member for Prince Albert rather than Mr. Drew.

An hon. Member: They are all blushing.

Mr. Chrétien: We very much like the right hon. member. Of course, we would have preferred his speech to be a little bit shorter, but it is always a great pleasure for us to hear him express his views. I am just puzzled that with all his experience he is not able to enlighten us on his ideas about the constitution a little more than he did, because with regard to the patriation of the constitution we on the government benches wanted some of his views. When he was prime minister of this nation he tried to patriate the constitution.

An hon. Member: With the co-operation of the provinces.

Mr. Chrétien: I do not know why this would be a less urgent matter in 1976 if it was an important matter in 1961 when the Conservatives tried and almost succeeded. Almost succeeded! However, that is one of the problems of the right hon. member for Prince Albert; he always almost succeeded. He did not manage to patriate the constitution, but I hope that he, like me, wishes the constitution to be patriated now, and if it is patriated it will not change the fact that Her Majesty is the Queen of Canada. If some day the people of Canada want to change that system, they can. I will not be arguing for that. I think that Her Majesty often teaches Canadians great lessons. I was honoured to be with her when she came to Montreal for the opening of the Games. She did a fantastic job.

Some hon. Members: Hear, hear!

Mr. Chrétien: I invite every hon. member of this House to read the speech she gave in Montreal in which she praised—

Mr. Hnatyshyn: Did you write the speech?

Mr. Chrétien: I do not want to get into that topic or to pretend that someone would force the Queen to say something. That is very insulting to Her Majesty the Queen.

Some hon. Members: Shame.

Mr. Chrétien: It would be very improper for me to be so impolite to Her Majesty the Queen, and I hope that the right hon. member for Prince Albert will discipline the new member for Saskatoon-Biggar (Mr. Hnatyshyn).

Some hon. Members: Hear, hear!

Mr. Chrétien: That is a very insulting course of action.

Mr. Hnatyshyn: The Governor General did not like the Speech from the Throne, either. Who wrote that?

Mr. Paproski: Poor Gaby had to say a few things she did not like to say.

The Acting Speaker (Mr. Turner): Order, please. The Minister of Industry, Trade and Commerce (Mr. Chrétien) has the floor.

Mr. Chrétien: I know that hon. members opposite do not like to be confronted with real facts. I am glad they rejoice so much at by-election results. We are better at general elections, and I would not be surprised if the new leader, who was so jubilant this morning, will carry on the old tradition of Manion, Bracken and Drew. I did not name the hon. member who managed not to be part of that tradition, the hon. member who spoke before me. His situation was very unusual.

Mr. Lefebvre: He is still the best one they have.

Mr. Chrétien: I think they would be well advised to take him back.

Some hon. Members: Hear, hear!

• (1430)

Mr. Chrétien: Mr. Speaker, perhaps I should go back and speak about my new responsibilities. I am honoured to see one of my predecessors here to listen to me. I am pleased that he has taken the time to come here. I hope to be as flamboyant as he was, but more successful. This new job is not an easy one, as we are faced with many problems. Some of these problems are due to the fact—

An hon. Member: That we have a Liberal government.

Mr. Chrétien: Yes, because we have been successful.

An hon. Member: In what?

Mr. Chrétien: One of the problems is the level of salaries in Canada, and another is productivity. We are having problems because in the last three years we did not go into a recession as they did in the United States. A recession did not come because of our management of the affairs of the nation, but unfortunately our success has led some people to believe that we in Canada can afford just about anything. That is one of the problems, Mr. Speaker. In the last two years we have been free of recession, so people in many industries think we can pay any type of salary. That is one of the most serious problems confronting me in my new portfolio. Some industries in Canada are paying higher salaries than in the United States.

Mr. Grafftey: Because of inflation. We have to keep up with the inflation caused by you.

Mr. Chrétien: Mr. Speaker, I do not want to get into an argument with the hon. member. Nobody can deny that in the last three years Canada has had less unemployment during the winter than the United States. For the first time in years we achieved that position, but now we are paying the price. Canadians had better realize that if they do not discipline themselves we will have to pay a high price in terms of our export position. The situation has improved in the last month, of course, and I think we will have a good export position. If we exclude the financial transactions we will be in a favourable position, but we will still have a big balance of payment deficit because in Canada we need a lot of capital for development. We need it because we want to build hydroelectric power projects, we want to build pipelines, we are looking for more oil and we are looking for more gas. We have all sorts of big programs and projects for which we will need more money.

To counterbalance that, Mr. Speaker, my department will take action and make decisions. I think it is very important to abolish form-filling and red tape, especially for small businesses. The Minister of State (Small Businesses) (Mr. Marchand) will have something to say about that. I think that in the last ten years the bureaucracies have asked small businesses to shoulder too much red tape. My colleague, the hon. member for Kamloops-Cariboo, is working with me and I have given him the task of looking into that matter. I hope he will be able to accomplish it in a speedy manner.

I must say, Mr. Speaker, that I found the remark of the right hon. member, in relation to the Minister of State for Small Businesses, somewhat improper when he commented on the minister's forthcoming trip to the U.S.S.R. later this month. I cannot go on that trip, so I think it is quite proper that he replace me as I have some very urgent matters to deal with at home at this time.

Mr. Dick: So has small business; urgent matters.

Mr. Chrétien: He works with me, and he is very good.

Mr. Dick: The minister of small businesses?

Mr. Chrétien: Yes, but he works with the Department of Industry, Trade and Commerce. If the hon. member were not so ignorant he would know that sales abroad will bring more business for the small firms in Canada.

The hon. member for Kamloops-Cariboo, who is the first Indian in the cabinet, will be a very good administrator for small businesses. He comes from a town where there are a lot of small businesses, and to his great credit he has been very close to them. When I had the privilege of visiting Kamloops earlier this month, I found how happy they were that one of them had been appointed minister with special concern for small businesses. His responsibility within my department is to help in my endeavours, including export business, but in the internal workings of the department he will have special concern for the problems of small businesses. Sometimes we look at the picture in broad terms and forget the effect upon the small people.

Mr. Diefenbaker: Why did you abolish the small business department that we set up?

Mr. Chrétien: I think I am entitled to finish my speech, Mr. Speaker, and I cannot relate what the hon. member said to what I am saying. I am speaking of the role of the Minister of State for Small Businesses, and I hope he will be able to make a contribution to the debate later in the week.

One of the reasons I decided not to go to the U.S.S.R. at this time is that I am very much preoccupied with the creation of jobs in Canada. When the Prime Minister asked me to take over this portfolio, I asked for a minister of state to help me because I think the job is big enough to be shared with someone else. My previous associations with the hon. member for Kamloops-Cariboo were good and I knew I could work easily with him. He will be doing some travelling.

My main preoccupation will be the creation of jobs in Canada. We have to develop a strategy to achieve this.

[*Translation*]

First, Mr. Speaker, I should like to say that as early as next spring I intend to launch a big campaign for promoting exports across Canada. Hopefully it will be an education and information program for Canadian businessmen by the officials of my department, who are specialists in foreign trade. We hope that the best among them will be able to hold conferences across the country so that the very competent officials working abroad might educate Canadian businessmen and initiate them in foreign trade.

I think that the hon. member who has already been Minister of Industry, Trade and Commerce did a somewhat similar job when his party was in power and I should like to insist on this because I think that at this time Canada has an extremely favourable potential in this area. Ours is only a small country with no extra-territorial ambition but on the other hand, we have a modern technology, which is acceptable in many countries. I must also say that, after my first contacts with the ministers who visited Ottawa since I have been here and after the tour I made in South America, I am convinced that such a program for initiating businessmen in exports will certainly be very useful and that it will have great results.

Mr. Speaker, I should also like to be particularly interested in the great projects which are being carried out in the world at the present time. When I visited Venezuela a few weeks ago, I realized that we Canadians are too often very timid when it comes to those so-called turnkey projects, that is extensive and comprehensive projects.

Too often in those projects, there is a lack of coordination and sometimes of government intervention. What is happening in today's modern world? Very often major decisions such as the great Venezuela railway or other projects of the same nature in Iran or Sandi Arabia are made by governments, and we are not adequately organized here in Canada. And if the department or even the Minister of Industry, Trade and Commerce does not intervene we often run the risk of missing our chance. That is why I would like to consider the possibility of establishing—and I have not yet submitted the project to Cabinet—some sort of corporation to deal with that problem and also form within the country many consortia that could really offer comprehensive projects entirely acceptable to interested countries.

There is another problem I would like to deal with, Mr. Speaker. Often in our domestic trade, businessmen do not always think in terms of the best interests of Canada and they cut their throats—if I may use that expression—in certain countries trying to get one another out of a contract. I think it might be necessary in the future for the government to decide on its own which Canadian businessman is better equipped to do a certain job.

In the records I have examined over the four weeks I have been in charge of the department, I realized that we often have three, four, five or six Canadian businesses vying to get a contract abroad while our competitors—be they English, French, German, Spanish or Americans—have only one in the race. And the fact that we have several Canadian competitors somewhat discredits the representativity of our businessmen. It might be appropriate in certain circumstances to take our responsibilities unilaterally and tell our businessmen: Don't go and cut your own throat abroad, think of the good of the country, and compete one at a time in different projects.

I would also like, Mr. Speaker, concerning those major projects—

• (1440)

[*English*]

I want to speak about certain turnkey approaches, and I should like to hear the views of the opposition on this subject. The government will need to encourage the inflow of more risk capital in order to stimulate the Canadian economy. We are suffering from huge balance of payment deficits and we must export much more aggressively. We need huge amounts of capital in order to develop oil and gas reserves, including the tar sands and hydroelectric power projects like the ones at James Bay and Labrador. We shall need huge inflows of capital, but if we want this country's economy to remain stable we need to export more of the products we make in Canada.

When I was in Venezuela I learned that Canadian technology can be applied more usefully in that country than can certain types of European technology. An example was the Venezuelan railway system. We are experts at building railways over rough terrain. We have built railways across the most difficult terrain in the world, in the Rockies, in the marshes, in the north. We know better than anybody how to build such railways, and the Venezuelan authorities with whom I talked recognize this. They want, in Venezuela, the type of railways we have in Canada. They do not want a fancy railway that travels fast; they need one that is ruggedly built, reliable and able to carry heavy loads.

An hon. Member: And slow.

Mr. Chrétien: It is better to go slowly and get to your destination than go fast and run off the rails on a bridge. The Venezuelans realize this. I am putting these ideas forward because I think they are in Canada's best interests. We need to sell more aggressively. Our sales should counterbalance the inflow of capital which we need, because, Mr. Speaker, we in Canada will always need capital. Ours is a huge country, extending 4,000 miles east and west and almost 4,000 miles from Windsor to the North Pole. This huge country cannot be developed with capital derived alone from the savings of

Canadians. We need capital, but we need the proper climate in this land in order to attract it.

An hon. Member: That would be a change.

Mr. Chrétien: Yes, we can always improve. The hon. member for Calgary South (Mr. Bawden) knows that a great deal of capital is entering Canada.

An hon. Member: And a lot is going out, too.

Mr. Chrétien: Some is going out, that is true, but on balance capital is entering this country. This year we have a $5 billion deficit in our balance of payments to cover. Money is coming in; the trouble is that most of the money is coming in in the form of bonds and not as risk capital. A few years ago I heard members of this House saying that we should not encourage the entry of too much risk capital and foreign managerial talent; we should encourage more capital in the form of bonds. Now some hon. members take the reverse position. I say that we need risk capital in this country. Sometimes we obtain the benefit of managerial talent along with risk capital.

Mr. Dick: Any capital coming into this country, even as bonds, under this government is risk capital.

The Acting Speaker (Mr. Turner): Order, please. The hon. member will have his chance to make a speech.

Mr. Chrétien: I found it difficult to understand the hon. member. I stayed in the House for one hour, although not obliged to do so, to hear the right hon. gentleman opposite finish his speech. I had a cabinet meeting to attend, but postponed it to do the right hon. member the courtesy of remaining to hear him. I hope the hon. member opposite will allow me the courtesy of finishing my speech. I want to do my job well, but have not learned anything from the hon. member.

I consider my new job a great challenge. I was happy as President of the Treasury Board. I did not have to travel too much, I dealt mainly with ministers and members and did not receive nearly as many delegations as I am now called upon to meet. It is very pleasant to receive delegations five or six times a day, but it does interfere with your work at times. Still, I am carrying out part of the communications policy of this government and, as I say, I consider my new job a great challenge.

We can improve our situation. Canada has been fortunate in the past. We are an exporting country. All the same, during the last month I have been obliged to make drastic decisions in certain areas. For example, I had to impose quotas in order to protect this country's textile industry, and I have been criticized.

Mr. Jarvis: Trop tard, deux ou trois ans trop tard.

Mr. Chrétien: Perhaps it is a little late, but I have been the minister responsible for only four weeks. I was forced to make some decisions in the first five days of my new responsibilities. The government has imposed import quotas on beef. The people of Canada must realize that we cannot be a free trader and impose quotas at the same time. I often go out west; I am welcomed in the west, even in Alberta.

An hon. Member: You bet.

Mr. Chrétien: I'm always welcome in Alberta. My mother comes from Alberta; everybody knows that. There are some in this House who always talk about free trade, yet in the same breath they ask us to impose quotas on beef and veal. Well, we have done it. Some traders abroad were abusing our good will; we were being flooded with imports from Australia and New Zealand, and when the Americans imposed restrictions last week I had no choice but to act. As soon as we knew what the picture was, we moved very quickly. We knew there would be a price to pay. We knew we could not win on both fronts at the same time. We had to be very careful. This is a free trading nation. We export a great deal and would like to export more. At the same time, however, we have to protect Canadians in productive occupations, such as textile workers and beef producers. It is better for Canadians to continue working in the textile industry in certain areas than to remain idle. However, Canadians must realize that in order to do this we must impose a quota and therefore run the risk of some of those goods being a bit more expensive. I am willing to take that kind of risk.

• (1450)

If hon. members have concrete proposals and ideas, I hope they will pass them on to me. I would be delighted to listen to them. I ask hon. members on all sides of the House to help me in my new job, keeping in mind our common goal—the well-being of this nation.

Mr. John Wise (Elgin): Mr. Speaker, it is a pleasure for me to participate in today's proceedings, a day when we have honoured one of our members who has been here for 25 years—a quarter of a century of service to parliament, to the country and to his constituency. Of course, it is always a pleasure, at least on this side of the House, to hear the right hon. member for Prince Albert (Mr. Diefenbaker) when he rises to address this chamber.

I want to begin by extending, in a very non-partisan manner, my sincere congratulations and best wishes to members opposite who have been successful in obtaining new offices. I firmly believe, however, that those members, along with their colleagues, had better gain maximum enjoyment from their current activities as I rather suspect, along with the apparent majority of Canadians—particularly on the basis of the by-election results of last evening—that they will not be holding those offices indefinitely.

Some hon. Members: Hear, hear!

Mr. Wise: I want to indicate that I will be moving an amendment to the Speech from the Throne at the conclusion of my remarks.

This throne speech, delivered in a most excellent and graceful manner by Canada's first lady, in complimentary terms can

only be viewed as a vague and feeble attempt to revive the increasingly sagging fortunes of this government. It attempts vainly to repair the irreparable. It sends messages off in all directions and to all regions, but fails totally to offer any concrete solutions to the problems which it addresses, problems which for the most part have been accrued, and indeed have been caused, during this government's time in office.

Given the record of this government and the current mood of Canadians, which has been mainly fostered by the performance of the government, unfortunately I have come to the conclusion that the content of the throne speech is simply meaningless. In other words, it does not matter what the government now says; people simply do not trust the words or the print of a government which has previously deceived us and has provided such ample evidence of its worth that our citizens have developed an entrenched mood of dissatisfaction and disenchantment. You cannot, under any circumstances, hope to maintain the trust of people by completely ignoring their problems and wishes, or by continuously taking the attitude that governments are always right and the people are always wrong.

This throne speech adds insult to injury with respect to the agricultural industry. Like the last budget of the Minister of Finance (Mr. Macdonald), it deals with one small agricultural item—unbelievable and unacceptable but, given the record of this government, understandable. There is only one paragraph announcing one commitment to agriculture, namely, "Measures will be introduced to make more farm-stored crops eligible for advance payments." This legislation is not new; it was promised by the minister over a year ago. It has simply been promised again. Let us hope that it does not turn out like the other few agricultural bills—introduced, given no priority at all, and finally passed months or perhaps a year later. Other references to agriculture in the speech are simply an example of the rhetoric. One is:

> The Government will also work with the provinces and farm organizations to strengthen the structure and productivity of Canadian agriculture.

In reality, this government will more than likely pretend to work with the provinces and farm organizations but will, in fact, accomplish next to nothing as it continues to mismanage the structure, to discourage productivity, to perpetrate instability and to generally shrink the scale of the agricultural industry. Farm input costs have increased so much in the last few years that credit is not only needed for long-term farm goals but is required for year to year cash flow. A few examples of these increased input costs include a rise of 47 per cent in fertilizer prices between 1975 and 1976, an increase of 17.6 per cent in building replacement costs, according to Statistics Canada, a 24.6 per cent hike in the cost of petroleum products for farm purposes, a 13 per cent rise in the cost of farm labour, and a 16.2 per cent increase in the cost of electricity.

Yet against this type of background farm credit has been reduced. The funds available to the Farm Credit Corporation in the current 1976-77 fiscal year have been reduced by the Minister of Finance from $300 million to $280 million. It is expected that gross FCC loan commitments will only total about $370 million this year compared with $641 million in the previous fiscal period a reduction of almost 50 per cent. This situation is having a disastrous effect among young farmers who cannot obtain the required credit sources. Is this the kind of action you would expect from a government which professes to care about agriculture?

Perhaps one of the main reasons for the low priority treatment given to agriculture is the obviously declining influence and importance of the Minister of Agriculture (Mr. Whelan). Until fairly recently, farmers generally were pleased with the minister. Given the fact that farm income has nearly always, characteristically, lagged behind others, and given the fact that input costs have risen beyond even the wildest imagination, they rejoiced to hear the minister tell their story. It made for great entertainment in hundreds of rural community halls and secondary school auditoriums across the country. But what is the situation today? The smiles have disappeared and the laughter has faded as farmers begin to realize what has been obvious in the House of Commons for months, that the minister cannot translate his wishes into legislation, nor can the minister act when he wishes to act. I believe he has even less influence in this government than he had a year ago. The federal dairy policy, which has created more unrest, instability and financial strife within the industry than ever before, is a prime example. In spite of all opposition warnings, the minister, or rather the cabinet, overreacted to the dairy surplus problems of the past year. Surely the minister must be aware that the dairy cow cannot be turned off and on with a toggle-switch.

● (1500)

Deficits and surpluses have existed before and they will exist again. We are still desperately in need of a long-term program. Where do we see any mention of such a program in the Speech from the Throne? My hon. friend from Joliette (Mr. La Salle) will deal with the dairy situation in more detail later today. The minister has failed to produce any kind of program for cow-calf operations. He has refused to implement a Canadian meat import law. He has done nothing about the unfair Canada-Australia-New Zealand meat agreement. What about the report of the beef inquiry commission? When is the minister going to act or, perhaps, more realistically, when will he be allowed to act? My hon. friend from Medicine Hat (Mr. Hargrave) will later be offering some good advice to the government on this subject.

The stabilization payments for the 1975 apple crop amounted to a clear indication of cabinet interference with major agricultural legislation since they constituted a departure from the main thrust and intent of existing law. Because of the total failure of federal policies we are now seeing massive intervention programs by the provinces to bail out their own producers; for example, the recent program in Saskatchewan, at a cost of $30 million, and the program announced not too long ago by the Province of Alberta for a cow-calf program to which the provincial government had to contribute some $40 million.

Witness, too, the Quebec dairy subsidy of $33 million. The question of federal and provincial jurisdiction has arisen and we may soon face yet another jurisdictional clash. The provinces, however, are acting only to protect their own industries from almost certain ruin. The very fact that these programs have become necessary amounts to the ultimate condemnation of abortive federal policies.

I have made statements before in the House on the subject of federal income tax and the capital gains tax as they relate to farm ownership and farm transfers, but as yet I have received no significant response either from the Minister of Finance or from the Minister of Agriculture. Present federal regulations clearly discriminate against the transfer of family-owned farms incorporated or organized in partnership, or other kinds of family organizations. Since this discrimination seriously threatens the transfer of such farms to succeeding generations, I propose that the rules governing such transfers be the same, regardless of the type of organization, as long as the farms are family-owned.

As has been previously stated both by myself and by the Canadian Federation of Agriculture, the government should also consider the exemption from capital gains tax of the income received by a farmer or family-owned corporation where the money is invested in another farm within two years. This would allow a farmer, if the need arose, to buy one farm and sell another for the sake of a more efficient operation. Similarly, moneys from all forced sales should be given at least a two-year exemption provided they are reinvested in the industry. The utter disregard shown by the government for proposals in favour of reforms such as these has clearly demonstrated to Canadian farmers that the federal administration cares little for them and their needs. Small wonder that the popularity of hon. members opposite has fallen so low.

Over the past few months we have heard rumblings about a comprehensive new food policy for Canada. It was indicated in the Ottawa *Journal* of May 8—and this has been verified in ensuing investigations—that the key department in the development of such a policy is not the Department of Agriculture but the Department of Consumer and Corporate Affairs. Mr. Speaker, this situation is totally unacceptable. It is an insult to the Department of Agriculture and to the industry generally. If Canada needs a new food policy, its proper place of origin and development is within the Department of Agriculture, though let us, by all means, take account of input from all sources, particularly those representing the consumer.

The present and future livelihood of producers is totally dependent upon an equitable policy, and in these circumstances their advice and counsel on any such venture is imperative, particularly when it comes through their respective commodity groups. When we hear that policy papers have already been prepared for cabinet consideration, I fear for the future of agriculture, especially in view of the government's past record of secrecy and deliberate confrontation. We in the official opposition are working hard to overcome the distrust which has been built up, largely because of the actions of the government, between producer and consumer groups. We will not subscribe to proposals which will pit producers and consumers against each other. There has been too much of that. The present government has set a bad example. We intend to set a good one when we on this side come to power.

Mr. Speaker, I should like to take this opportunity to interject a few words on behalf of the maple sugar and syrup production industry, most of which is centred in the province of Quebec.

Mr. Darling: Don't forget Parry Sound.

Mr. Wise: I shall not forget Parry Sound-Muskoka. One could perhaps forget the riding, but never the member who represents it. In spite of the fact that many countries show a keen interest in importing this sweetener, production has declined by almost 50 per cent in the province of Quebec during the last 20 years. Increased prices have been insufficient to provide healthy revenues to existing producers or attract newcomers to the long-time tradition. Maple syrup production in 1975 was about 1.3 million gallons, 21.7 per cent less than in 1974 and 950,000 gallons less than during the years 1956-60. I hope I can prevail upon the government to check this decline and save this traditional and valuable industry. I would be very interested to hear what the government intends to do regarding this vital matter.

The pork producers, as represented by the Canadian Pork Council, constitute another group within the agricultural sector which remains unimpressed by government performance. They are still very upset over the tariff cuts on pork announced last May by the Minister of Finance in his last budget. I might say that the importation of pork and pork products increased by 110 per cent in 1975 as compared with 1973. Mr. Elder, president of the Canadian Pork Council, has been quoted as saying:

> Our pork prices are now set on a North American market basis. The cutting of tariffs as proposed will simply put an additional downward pressure on Canadian pork prices and further shake the confidence of Canadian hog producers, many of whom are currently considering whether to increase, or even continue in production. Producers with the support of a number of provincial governments are currently working in many ways, and at considerable expense through stabilization and marketing schemes to increase production following the recent production decline.

● (1510)

He went on to say that this cutting of tariffs will be interpreted by many producers as a further indication that the federal government is not concerned about the development and stability of the industry.

During the past two years I have spoken out on many occasions on dairy policy, particularly on the question of cheese imports into Canada. On this particular issue agriculture has been fighting a losing battle with industry, trade and commerce and likely the trend will continue. It is interesting to note, with all of the chaos and unrest that exists in the dairy industry today, particularly among the industrial milk producers in the province of Quebec, that statistics indicate that importations of dairy products have increased some 83 per cent in 1975 compared with 1973. This is only one example,

however, of increased strife within the agricultural industry caused by ever-increasing amounts of agricultural products.

Let me take a look for a moment at the Statistics Canada figures on imports; I have them before me and I also have the percentage increases in 1975 compared with 1973. Berries, 370 per cent; apples, 58 per cent; honey, 211 per cent; jams, 74 per cent; chicken, 289 per cent; canned hams, 33 per cent. I think the largest and most significant percentage increase of an imported product is tobacco. The subject of tobacco is not only very close to my heart, because I have a large acreage in the riding of Elgin, but I know my colleague who represents the riding of Norfolk-Haldimand (Mr. Knowles) is also extremely interested in this product. The increase in tobacco imports in 1975 compared with 1973 is a whoopping 1,086 per cent.

It is obvious that some restrictions, or at the very least increased tariffs, are required. Instead, the government is removing tariffs, such as that on sugar. This effectively removes any possibility of the revival of the sugar beet industry in southwestern Ontario. I regret that the Minister of Agriculture is not here because I would have been very interested to hear his comments regarding the removal of the tariff on sugar. I wonder whether he supports this measure, particularly when he has campaigned election after election on the promise to re-establish the sugar beet industry in southwestern Ontario.

An hon. Member: He only does that at election time.

Mr. Wise: That is true. Two production areas that are being adversely affected by the import situation are those of chickens and soybean production. In 1974, total importations of U.S. chickens into Canada amounted to approximately five million pounds, or less than one-tenth of one per cent of Canadian production at that time. In the same year, Canada exported to Cuba nearly 12 million pounds of Canadian-produced chicken. By 1975, imports of U.S. chicken had escalated to over 12 million pounds, and with literally no export of Canadian chicken this represented an increase of 250 per cent. Up to June, 1976, U.S. imports of chicken continued to swell and now total 22 million pounds, live and dressed. This in just under six months. At this rate, Mr. Speaker, imports may reach 50 million pounds this year, an increase of over 400 per cent compared with 1975, and represents 7 per cent of our total Canadian production. Since the vast majority comes into the province of Ontario, this represents 25 per cent of Ontario's total production and is ever increasing. Chicken producers are not happy with this situation, but to date the government has turned a deaf ear to their protests and representations.

Producers of broiler chickens are equally concerned about the increased importation of American broiler chickens. It has cut into the production quotas of Ontario broiler producers who were hoping to get back to regularity after having quotas reduced last year to 85 per cent of capacity in order to avoid a surplus or overproduction. There is a further danger, of course, that the broiler producer will be forced to accept a reduced return because of the necessity of cutting prices in order to compete with American imports, which due to climatic and other conditions can be produced at less cost, generally speaking at about 25 per cent less. This unfair competition is a serious threat to the Canadian broiler producer.

Soybean growers, too, are now facing the prospect of reduced returns for their product as a result of unchecked foreign competition. Mr. Otis McGregor, chairman of the Ontario Soybean Growers Marketing Board, said recently that producers can expect to receive substantially less for this year's crop. Much of this reduction is due to increased competition from the United States, which exported 2.2 million bushels of whole soybeans to Canada during the previous year in addition to soybean meal, oil and flour, for a total market value of $145.8 million. Canadian exports for the same period amounted to only $15.1 million.

A familiar and disturbing pattern is now obvious, one of increasing agricultural imports and decreasing exports. Tariff barriers are established by our competitors to hinder the export sale of our products, yet imports continue to flow at alarmingly unchecked rates into Canada. Our producers are not being adequately protected. The Minister of Industry, Trade and Commerce (Mr. Chrétien) is doing farm producers and the agricultural industry a disservice by allowing this situation to continue unchecked. The Minister of Agriculture is losing all credibility by failing to bring any significant influence to bear upon the government's position.

We know that farmers want to produce, Mr. Speaker, and they should be given every opportunity to do so with as little government interference as possible. By and large, producers will adjust and adapt to changing market conditions. Canadian producers welcome competition and can compete in any marketplace given similar circumstances. But Canadian producers cannot, and should not, be expected to compete in the marketplace against heavily subsidized foreign products and commodities. Farmers should be assisted by government to seek out and develop foreign markets. At the same time, farmers should be called upon to develop more aggressive sales programs, both here at home and abroad, for their produce. The quality of Canadian food production is the highest in the world and can fulfil, with no problem whatever, any advertising or promotion program.

Were some reference to any of the matters to which I have spoken included or even vaguely mentioned in the throne speech, Mr. Speaker, I might have been able to find some sign of hope or encouragement from the pronouncement. But, as usual, the agricultural industry has been completely ignored by this insensitive and unthinking government. From the point of view of the agricultural community and of those dedicated to serving its interest, this throne speech is totally devoid of merit.

As I indicated when I began my remarks some time ago, Mr. Speaker, I feel a definite desire, indeed obligation, to submit the following motion, which is seconded by my colleague from Joliette:

That the following be added to the Address:

"This House regrets that Your Excellency's advisers have failed to support the productive sectors of the economy, and in particular have not responded adequately to agricultural problems such as the distress of the industrial milk producers, the excessive importation of beef from Australia and New Zealand, and the lack of effective co-ordination between federal and provincial agricultural authorities.

● (1520)

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like, first, in my opening remarks to congratulate the new Minister of Industry, Trade and Commerce (Mr. Chrétien) and wish him well. He is going to need all the good wishes we can offer if he is to do anything with his new department. I do not say that because I have less than considerable respect for the personnel of the Department of Industry, Trade and Commerce. In the years I have been here, I have had many occasions to consult and work with officials of that department regarding various constituency problems, and I have always found the personnel most helpful and, in fact, a very able group.

The problem is not the result of the personnel or the department itself but, rather, because the department has to serve a government that has no conception of any industrial strategy or policy. The result is that the department has become kind of an Augean stable of the kind that even Hercules, like the present minister, was not able to clean up. Some of you may remember the story about the Augean stables which Hercules laboured day and night to clean, only to find the next day that it was just as filthy.

An hon. Member: It was Ulysses.

Mr. Saltsman: Well, the minister doesn't look very much like Ulysses.

An hon. Member: It doesn't matter, you are shovelling the same stuff over there anyway.

Mr. Saltsman: You are experts over there, so I am sure you have the right handle on it. The Minister of Industry, Trade and Commerce, for all his apparent enthusiasm for some of the ideas he intends to put forward and changes he intends to make in the department, will really wind up doing what previous ministers of trade and commerce on that side of the House have been doing for as long as I have been here, and that is jawboning. He thinks he can jawbone the department and its policies into success. It is quite obvious that as his hero the minister has picked the hon. member for Prince Edward-Hastings (Mr. Hees), particularly as an example of effective jawboning, when that member held the portfolio in the Conservative government. The difficulty is, of course, that the present minister does not have the same effective jaw as the hon. member for Prince Edward-Hastings and should not, therefore, try to compete in that league.

If we consider some of the things the minister said in his remarks today, we must ask ourselves whether he really understands anything at all about his job and the problem facing him. First of all, he starts out talking about facing some problems. Certainly that has to be the understatement of the century in terms of the problem facing this country today.

Let me put on record the kind of position we find ourselves in at the present time. Between 1968 and 1974 Canada experienced the lowest rate of growth in the volume of exports of any major non-communist, industrial nation. The latest 1975 figures have been excluded from this comparison since they are heavily influenced by the world's cyclical contraction. Over that period real exports rose by an average annual rate of 5.7 per cent in Canada, 8.8 per cent in the United States, 12.1 per cent in France, 13.5 per cent in Japan, and 7.1 per cent in Britain. Even in beleaguered Britain it rose 2 per cent more than it did in Canada. Moreover, only two other industrial countries aside from Canada saw the volume of their imports expand more rapidly than their exports. Over this period real economic trade trends were worse for Canada than they were for Britain.

Canada's trade balance, measured in terms of stages of fabrication, has over the past decade continued to shift in a direction politically unpopular at home. The merchandise trade surplus has expanded continuously in crude materials and fabricated materials. However, in the fully-finished end products sector—that is where the jobs are; the sector which accomplishes the bulk of manufacturing—the reverse has been the case. Canada's merchandise trade deficit on end products has widened in every year since 1968. Part of this deterioration may be traced to an adverse movement in auto trade, though growing deficits have emerged in other finished products as well. Even excluding the eight most important export commodities, Canada's trade balance in the remaining products has displayed a similar deterioration since 1968.

The point of some of these figures which I have gone over quickly is that we probably have demonstrated the worst expansion, in terms of trade among manufacturing or developed nations, in the world. We must ask ourselves how a country with the resources of Canada and with the people here could do so badly in trade. The minister summed this up by saying we are facing "some problems". When it came to solutions, the minister suggested he would welcome ideas from anyone. I suggest he will need ideas from someone else because he will not get them from that side of the House.

The Minister takes considerable pride in the fact that the government has appointed a Minister of State for Small Business. I do not oppose this; I think it is very nice to attempt to help small business, at least to the extent possible. That still does not deal with the central problem relating to our trade deficit. At best it is window-dressing, if you will, or public relations. Small business, like motherhood, is something that no one is against.

The government will not create jobs, in the kind of world in which we live, by assisting small business. Small business in many cases can perform valuable functions that often big business cannot perform. Those of us who know something about small business will know that these businesses are often heavily dependent on giant industry. Small businesses are not initiators, innovators or creators of the large number of jobs

we require. They are ancillary and very important, and should be encouraged, but I think it would be like burying your head in the sand to think you can create the number of jobs this country requires by stimulating small business. I think every country in the world has demonstrated the fact that we live in a world in which we must have large industry. We must have large industry in order to be able to carry out research and marketing as well as the many other things associated with being internationally competitive.

We have some fair-sized industries in this country, but we have never quite developed the coherent or comprehensive kind of Canadian industrial structure to cause a presence in international competition. This is partly because of the presence of foreign ownership.

It is interesting to note that, as hard as those responsible for FIRA have tried, we have not been able to reverse this trend of foreign ownership by getting more Canadian businesses going when others are put up for sale. That organization has attempted to transfer ownership from foreign corporations to Canadian corporations. In spite of the good intentions of FIRA, the fact is that when you get down to it, for some reason Canadians have not been in a position to take over these businesses when they have been put on the market.

There have been some successes where Canadians have participated in the take-over of foreign corporations, but they have often occurred as a result of the government intervening and supporting the take-over and transfer of ownership. It is difficult to understand why Canadian entrepreneurs are in such a weak position and why the risk-taking that is occurring in other countries is not occurring here. Perhaps if we look back at our history we will find we have never had that kind of capitalistic society in Canada and that in fact Canadian entrepreneurs, with few exceptions, have been timid and heavily dependent on government.

Many projects in this country might never have got off the ground had it not been for public involvement or the government stepping in and, in fact, assuming the bulk of the risk. What does that say for us? I suggest it says that unless we can change the Canadian entrepreneur and the financial institutions, then the government of this country will have to play a much larger role in the development of industrial production. That is the way it has been done in the past, and that is the way it will be done in the future unless the Minister of Industry, Trade and Commerce adopts an attitude different from that of the ministers before him, an attitude of wringing their hands.

• (1530)

We can dissipate these problems by jawboning, by going out and assaulting the markets of the world as though we were the only ones who wanted to go out and assault the markets of the world. You must have something to offer the markets of the world, and the truth of the matter is that we are not in a position to do that. All the super-salesmanship in the world will not change that.

Whenever we talk about our being uncompetitive, the only ting that comes to some people's minds is that wage rates in Canada are too high. There are many other reasons why we are competitive and why our productivity is not high. One is the way our industries are organized and the way they compete or do not compete with each other. Productivity is not so much a matter of the guy who works at the lathe; it is a factor of industrial organization. We are not as productive as we should be, and we have to be productive. How are we going to be productive? Hon. friends on my right are listening with some interest and I am pleased to see that. One of them seems to be on the verge of standing up and making a suggestion. Perhaps he would like to say that the way to increase productivity is to get the government's cotton-picking hands out of the pockets of Canadians and away from businessmen who will show you how to be productive.

I see by the glint in his eye that that is the argument he was about to put forward. I wanted to save the hon. member for Provencher (Mr. Epp) the trouble of exercising himself to rise and ask a question, so I asked it in a rhetorical sense. I say to him: Is it really true? Because in fact this government has been more generous in terms of tax benefits than almost any other government I can think of. What more do businessmen in Canada want? They get low rates of taxation. The effective rate of taxation in this country is not that high or that devastating. This is not the reason people cannot compete.

I have had some experience, as have my colleagues in the House, trying to find a group of Canadian businessmen who are prepared to take the gamble of trying to persuade the banks of this country to stick their necks out. Unless it is a safe risk, with guarantees right down the line, you do not have that group of indigenous Canadian capitalists to do the job. Perhaps we will develop them some day; I do not know. But we do not have them now, and the truth is that we have not had them, with a few exceptions such as the E. P. Taylors and the Lord Beaverbrooks. To show you what Canadian ethics are, we drove them out of the country. We could not tolerate the likes of Lord Thomson.

Mr. McCain: You contributed your share to that.

Mr. Saltsman: I did not. In fact, I made a speech in the House in praise of Lord Thomson, if not for his tendency to accumulate money, at least for his integrity in admitting that that was the sole purpose of his endeavours. The man is gone now, but I have no animosity for Lord Thomson. As a matter of fact, I found him to be a rather nice fellow on those occasions when we met in London; so let that be on the record.

I think we are in the kind of position where jawboning, exhortations and launching assaults on foreign markets will not do any good. The Department of Industry, Trade and Commerce is indulging itself in a fantasy. The truth of the matter is that the minister, whatever his good intentions may have been today in putting forward this program and speaking of the kind of things he is going to do, in fact does not have the power to do them. The reason he does not have the power to do them is that the government is without a policy, without a

strategy, nothing is co-ordinated, everything is ad hoc. If you are going to make your economy competitive, you have to take a systematic look at all the factors that enter into being competitive, the factors that enter into the reasons you cannot trade and others can.

I was curious to know what the minister meant when he spoke about the export business and said that very often in export contracts Canadian businessmen compete for a job, and that that is very bad. I always thought the Liberal party thought competing for a job was a good thing. Now they are saying that when you do it on export contracts, it is a bad thing. Therefore, he as minister, and presumably his government, will have to decide which business is best for the job, to quote him exactly. If there is an overseas job to be done, instead of having a number of Canadian companies competing for the job, the minister will make a decision and say, "We think A should go rather than B".

As I sat in my place listening to the minister, I kept trying to figure out exactly how he is going to go about doing that. Is he going to sit down with them in his office and review the kinds of bids they are making, and say to them, "Look, fellows, you really should get together. Your bid should go, but the other two should not". If that is the case, I am sure the combines people would be very interested in such conversations, even though consortiums for export purposes are exempt from the provisions of the combines legislation.

If we are going to bring people together on that basis, and if the minister really thinks he can get them to collude and combine for export purposes and there will not be some kind of carryover arrangement for the domestic market, that is the company turns out to be reasonably successful in selling on the export market—I do not think it will be, but at least successful to the point that it will get a higher price than it might otherwise obtain—will there not be a spillover? Will someone not come to the conclusion that if it works there, why should it not work in the domestic market? I think they came to that conclusion a long time ago. The minister underestimates the amount of collaboration that takes place in domestic and foreign markets.

What is there about the Department of Industry, Trade and Commerce that makes it so ineffective? I have pointed out in my remarks that I think they have some excellent people. My experience with the department has been good. When I come to them with a problem, I find people who understand, and more than understand. They are willing to really move on the thing. It is not often you can call a deputy minister on a Sunday and get some action from him, or have civil servants working halfway through the night on a deal because they know it is urgent and important. But that does not seem to be the problem. The problem is that the rest of the government's policies make it impossible for the Department of Industry, Trade and Commerce to be other than the Augean stable to which I referred. It is just a stable where they throw all the junk, saying that they have to try to compensate for all the disastrous policies they have in other areas and come up with some money to bail out an industry here, make a grant somewhere else, and do all those things which make up for the deficiencies in the policies of the government.

[Mr. Saltsman.]

• (1540)

Let us consider some of the things which happen in this country. First, the government—and not only this government but also governments before it—can never make up its mind whether it has to concentrate on the manufacturing industry, agriculture or the resource industry. Perhaps governments have not wanted to make up their minds because that would have involved making a value judgment or decision. Governments have never really done that. They say they will concentrate on everything, manufacturing, resource industries, agriculture and fishing. They want to please everybody, and let the investment go where it pleases.

There have never been any conscious investment policies. What is the effect of that? The effect is that Canada is a very attractive resource country, and if investment in Canada is left alone, by and large the bulk of that investment will go to the development of resources. That is a natural thing, particularly when many investors are foreigners, with plants in other countries, who are looking for iron ore, asbestos or other raw materials to satisfy the needs of their manufacturing facilities. That is what has happened.

The consequence of this large influx of investment has been to raise the value of the Canadian dollar. The raising of the value of the Canadian dollar and the maintenance of high interest rates which accompany that—and sometimes interest rates are used to stimulate investment coming in—has virtually killed the manufacturing industry. It makes imports cheaper, and exports dearer. Even if our productivity were as good as that of every other country, this policy of maintaining a high value on the Canadian dollar would be disastrous enough. However, when our productivity is not as great as that of other countries, the consequence of maintaining the Canadian dollar at a higher level than the value of our chief competitor, the United States, for example, is virtually to ensure the destruction, or certainly the crippling, of the manufacturing industry in this country.

Our dollar is based on productivity and, after all, that is what a floating exchange rate is supposed to do. A floating exchange rate is supposed to reflect the differences in productivity between one country and another, and on that basis our dollar should be in the region of 90 cents to 94 cents to the American dollar, certainly not at a premium to the American dollar.

The hon. member who preceded me pointed out some of the difficulties with which he is familiar in the agricultural sector, and what has been happening to some agricultural producers. Surely part of the problem, in terms of what he was describing from his experience, also arises from the high value of the dollar. Whether we talk about chickens or machinery, it is the same kind of thing. If our dollar is higher than the American dollar, it is cheaper to go to the United States and buy chickens there. Certainly the Americans will not buy chickens from us, all other things being equal, if our dollar is more

expensive, if they have to pay more for it or if their currency does not buy as much in Canada. Yet the Department of Industry, Trade and Commerce is expected somehow or another to go out and sell Canadian products and have nothing done about the value of the Canadian dollar. That is an impossible thing to do. Little wonder they have to go back to the stable the next day and find it just as full as the day they left it. We have this kind of policy.

The Minister referred to his concern for the unemployed, and I am sure his concern is genuine. But how is he going to achieve full employment in Canada, with the kind of policies this government has been creating? He made one reference which I thought deserved at least a tag line or a credit line for the NDP. He said something along these lines, "We did not go into a recession. We have done better than other people." In my view, the only thing that saved this country from one of the most serious recessions we have ever had—certainly, one which would have been more serious than in the United States—was the fact that over the years the NDP has had some influence in forcing some welfare policies on the government. Without those support programs in this country, without unemployment insurance, without the various grants which are available, and without old age pensions, we would have been so flat that we would have made the thirties look like a picnic. Those are the only things that saved the government—not its cleverness and not its policies.

It is the fact that we have instituted support programs which maintain purchasing power when the inadequacies of the government show and it is not able to do anything about developing an industrial strategy and creating jobs. Unfortunately, while that prevents some of the worst hardships falling on people, it is not what this country wants. The people of this country want jobs. The result of operating these kinds of policies is that we have perhaps avoided a desperate recession, but at what a cost! We have spent money on unemployment insurance and on welfare policies, and lost dignity in many cases. All this could have been avoided by the creation of jobs and the adoption of adequate policies.

One has to ask why, in the face of close to one million unemployed in this country, the government maintains two measures which by everyone's judgment contribute to the loss of exports and the diminution of jobs. The two measures I refer to are high interest rates and the high valuation of the Canadian dollar, which are government policies. Those things do not happen by accident; the government wants it that way. Why does the government do this? I presume it is because it has come to the conclusion that we might have a little more inflation than we have now if we were to move the other way; in other words, in order to have full employment we might have extra inflation. However, now that this whole business of inflation has become less of a real issue than it has become a political issue, the government has brought in its measures under the Anti-Inflation Act. It is quite clear that the Anti-Inflation Board has had a very minor effect, if there has been an effect at all, on prices in the industrial sector.

The figures which show that our inflation has decreased are related to what is happening internationally, but more particularly they are related to some stabilization in the price of energy and a very considerable drop in the price of food. Those are the significant factors in the drop in the increase in the cost of living. If we move away from high interest rates and from a high valuation of the Canadian dollar, one of the initial consequences, because we import so much from the United States, will probably be to raise some prices in this country. I say some prices, but in my view, if it is done in a determined and phased way it should not have any significant inflationary effects. However, we have a government which is scared and whose whole life, if it still exists, seems to hang on success in demonstrating that it has licked inflation or brought it down significantly.

● (1550)

This government is terrified to make any kind of trade-off in favour of creating employment in this country, getting jobs for people or improving our export potential, because these things might show up as a percentage point on the inflationary scale. They have tied their success so much to the Anti-Inflation Board that they are willing to jeopardize every other policy in order to make it look good. I think it is disastrous for this country.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Saltsman: Thank you, Mr. Speaker, and may I thank my friends and colleagues in the House. I shall only take a few moments to conclude my remarks.

I take the minister at face value. I have known him for many years and I have no reason to doubt his sincerity. He has said that we really have to do something; that he is going to welcome ideas and he is going to welcome proposals. I do not pretend, and I am sure no other member of the House pretends, to possess the kind of expertise that the minister may have in his department. But what we do have is a kind of overview, and ability to look at what is happening over there. It is our job to be critical, to try to understand what is happening—because everyone is deeply concerned over what I think is a disastrous record in terms of job creation in this country.

There may come a time when we do not have to worry about job creation. It is said that in the 1980s the big boom will be over and then we can turn to capital-intensive industries. At the moment, however, this generation needs jobs—now. At the same time, the government has to make a deliberate choice with regard to creating those jobs. It is going to cost us in some other areas; it may mean that some large resource developments may have to be deferred. So be it, if that is what has to be done.

The greatest service the minister can offer in his new capacity is to bang the table in the cabinet room and say that his department cannot operate unless it gets some kind of plan, some kind of industrial strategy, some kind of industrial outlook which puts all the policies together in such a way as to improve our competitive position.

Mr. D. M. Collenette (York East): Mr. Speaker, I think you can see, by the show of supporters here for myself and the Minister of Industry, Trade and Commerce (Mr. Chrétien), that despite our minor setback of yesterday we are indeed a united party, undaunted and willing to follow the leadership of our Prime Minister (Mr. Trudeau) into the next election to battle hon. members opposite. Before I get to the meat of the matter, Mr. Speaker, I should like to take a moment to congratulate Your Honour upon your appointment. From knowing you for many years, I know you will pursue your duties with the utmost diligence and impartiality.

Some hon. Members: Hear, hear!

Mr. Collenette: It is really a pleasure to take part in the debate this afternoon. The Speech from the Throne and the legislation to be enacted in this session of the thirtieth parliament will, to be quite candid, make or break the Liberal party, the party I represent, the government I have supported for two years and the government I will continue to support.

There has been much rhetoric in this debate concerning the evils of inflation, the anti-inflation program, the problems of implementation of the Official Languages Act, the continuing energy crisis and countless other problems that afflict Canada. In my remarks, Mr. Speaker, I would like briefly to lay before the House the facts as they pertain to the economy and then relate those facts to the political climate which I believe has caused a great amount of uncertainty within the country.

It will be my contention, Mr. Speaker, that the basic problems facing Canada are not overly economic, not necessarily social, not even necessarily linguistic, not cultural, but political. I shall fly a trial balloon for restructuring the parliamentary system as we know it, then conclude with some remarks on the question of national unity and bilingualism.

First of all, Mr. Speaker, let us take a quick look at the economic situation. With the introduction of the anti-inflation program, the inflationary psychology which gained significant momentum in late 1974 and 1975 has, at last, been broken and therefore one can say the policy has been a success. There are those on the other side, especially members of the New Democratic Party, who contend that the anti-inflation program has not been successful in bringing down the rate of inflation but, rather, the huge slide in food prices has been the main reason for a drop in the consumer price index from over 10 per cent to a 6½ per cent annual rate, based on the August figures.

These critics argue that food prices do not fall within the purview of the anti-inflation program and, therefore, the program has had little real effect on the inflationary rate. This is false, since transportation and distribution costs, which do fall under the program, are built into the cost of food products at the retail level.

I think the main success of the program so far has been, as I mentioned earlier, the breaking of the anti-inflation psychology. The exorbitant wage demands that we saw manifesting themselves over the summer of 1975 have, of course, been drastically affected by the program. These labour costs would have worked their way through the pricing system and resulted in huge price increases in 1976. As a result, the rate of increase of retail prices has been significantly curtailed, but not enough, Mr. Speaker, for us to say that the program should be abandoned at this particular time.

The Prime Minister talks about continuation of the anti-inflation program until 1978. I am not so sure that we can wait that long, because the main advantage of any statutory program of wage and price controls is its immediate shock value and as the program bites into more and more sectors of the economy and into personal incomes its popularity diminishes. In addition, any protracted period of controls will drastically restrict business expansion. The program should be wound down over the summer of 1977.

I think it is fair to say, Mr. Speaker, that over the past two or three years, when every industrialized country in the world has been beset with the problems of rapid inflation and high unemployment, Canada has weathered the storm as well as any other nation, with the possible exceptions of West Germany, Sweden and Norway. It is true the economy has not grown. It is true that Canadians, for the first time since the depression, have seen their living standard remain at a standstill. But there has been no decline in the standard of living in this country such as that which has been witnessed in Great Britain, France, Italy and Japan.

Economic recovery is under way and I have no doubt that within two or three years, as the Speech from the Throne indicates, Canada will once again achieve prosperity, although the rate of growth of Canadian prosperity will in no way match the doubling of disposable incomes that we have seen in the past 20 years. Those days, I believe, Mr. Speaker, are gone forever. However, the Canadian people should be told that there is hope for a more gradual betterment of their life in both a material and a spiritual sense. This is borne out by the economic projections we have before us, not only from domestic bodies such as the Economic Council of Canada but also from external agencies such as the Organization for Economic Co-operation and Development.

While the standard of living in this country has been marginally affected by inflation and unemployment, we have seen the terrible eruption of many social problems and a trend toward general disrespect for the traditional values and institutions of Canadian society. I think it is not an exaggeration to say that there is great hostility in the land. Much of this hostility is directed toward government at all levels but, of course, is more noticeable in the hostility toward the federal government and the leader of that government who is our Prime Minister.

This is something of which we on this side of the House are fully cognizant. Liberals are engaged in an exercise of searching among ourselves and among our ideas so as to put into proper context the degree of criticism that faces the Prime Minister and the government. We are trying rationally to analyse the reasons for the government's unpopularity and to bring forth concrete policies which respond to the concerns and the frustrations of Canadians.

It appears, Mr. Speaker, that the Leader of the Opposition (Mr. Clark) does not have the inclination nor perhaps, if the truth be known, the ability to apply himself rationally to the issues which are causing disquiet among Canadians. As we saw in one of the most cliché-ridden and transparent speeches this House has heard from a party leader, certainly in my two years here and perhaps a lot longer than that, the Leader of the Opposition shows a complete lack of insight as to the forces which make this country tick. He talked of Canada as being, and I quote:

—above all, a partnership and the essence of a partnership in this country is to establish a basis of mutual respect and trust. That is broken down in Canada. It is not an accident that it is broken down. It is not due to impersonal forces from abroad, it is broken down because of now nearly a decade of the practice of this government of taking unpredicted unilateral actions and unilateral decisions.

● (1600)

How facile! What rubbish!

Mr. Hnatyshyn: Really!

Mr. Collenette: However, I agree with the Leader of the Opposition that mutual respect and trust in the government of Canada has broken down. But it results not from the unilateral actions of the Liberal government; rather, it is, I believe, due to the failure of the parliamentary system as we know it in this country to operate effectively.

Mr. Hnatyshyn: What not blame the weather, or moon spots?

Mr. Collenette: Not only is mutual respect and trust breaking down but, indeed, I believe the country is in danger of breaking up. It is breaking up because this House is not truly a representative one. The concept of a representative parliament on the British model has served this country well for 100 years. But the pace of social and economic change and the regional diversities of the country have led to a situation where parliament, this body of which we are all honourable members, no longer reflects the will of the people.

We, as Liberals, have argued with some pride that we have been the one and only national party in this country. It has been clear for a long time, and I believe the Prime Minister gave official recognition to this point in his speech in Toronto a few weeks ago, that our party can no longer make that claim. Our condition in western Canada is feeble—that is being polite.

By the same token, the Progressive Conservative party is still principally an English-speaking party with scant representation from the province of Quebec and, in my opinion, Mr. Speaker, unlikely to increase that representation at any future election. Yet 25 per cent of those casting votes in the province of Alberta in the last federal election voted for the Liberal party, and 19 per cent in the last federal election voted for the Progressive Conservatives in Quebec. The resulting number of seats gained from that vote distorts the real meaning of democracy. So in this House we have two large parties that are not really national at all, and two minor parties—the Créditistes with almost all of their support from Quebec, and the New Democratic Party which is made up of a few industrial seats in Ontario and British Columbia, and a small rump of agrarian radicals from the prairies.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Hnatyshyn: Fancy calling Stanley Knowles an agrarian radical.

Mr. Knowles (Winnipeg North Centre): By "agrarian", the hon. member means down to earth.

Mr. Collenette: There have been many, both inside and outside this House, who have said that the Senate should be resurrected—that is, if it ever was alive—so as to reflect the more regional points of view. One suggestion is that lists of nominees for Senate appointments be prepared by provincial governments. This, in my opinion, Mr. Speaker, would handcuff the administration of national affairs in Canada much as it has in France, the United States and Australia where bicameral legislatures exist. I believe it is essential for the efficient government of a country that there be one national decision-making body—in our case, parliament. However, I believe the method of election of members to parliament could be radically changed to reflect the true sentiments of the people of this country.

There have been many arguments over the years for a system of proportional representation in government. I believe that is perhaps the one answer to solving present Canadian problems. We have to overcome the dilemma of, in effect, having a one-party state as a result of an electoral system that creates a terrible bias by the "winner take all" theory in each constituency. West Germany could, perhaps, be used as a model for any mixed or proportional representation system.

I would put before the House the following suggestion. When the British North America Act is patriated, it should include structural change to the parliamentary system which would continue to allot seats to each province in proportion to population as we now have it, with the same constitutional guarantees that were made to Quebec and to Prince Edward Island, but stipulate that only half the seats in any particular province would be filled by direct election. The remaining 50 per cent of all members in each province would, as in West Germany, be elected by means of a preferential proportional voting system. For those who wish to pursue this idea in depth, I would like to draw attention to the excellent summary of Geoffrey K. Roberts in his book entitled "West German Politics."

It is precisely because parliament does not accurately reflect the views of all parts of this country that regional frustrations have tended to be expressed by the provinces, and with this expression of regional frustrations the power of the provinces has grown inordinately, so that there is much duplication of government in addition to a tendency toward distortion of national fiscal policy by wanton provincial borrowing both from domestic and foreign sources. The notion of equal strength of provinces and the central government as expressed by the Leader of the Opposition and by the hon. member for Saint-Hyacinthe (Mr. Wagner) is contradictory. Any continuing devolution of federal powers, whether it be to Quebec or to Alberta, will fracture this country beyond repair, and in only a very few years. I urge and challenge the Leader of the Opposition to come to grips with patriation of the constitution, to put aside his parochial views and, if he can, try to think of

the national perspective. This may be difficult to do, because the Leader of the Opposition often appears but a mere handmaiden of rabid provincial interests who pull strings from Edmonton.

Finally, I want to say something on the question of national unity, bilingualism and the encouragement of French immersion courses in English-speaking provinces.

[*Translation*]

Mr. Speaker, many English-speaking Canadians born in Canada forget too easily what a minority group is up against. Simply ask a newly-arrived immigrant in Toronto if it is easy to be accepted by the majority. Put the same question to some of our Jewish friends. The answer will be a loud No. New Canadians must suffer hardships by reason of their language and cultural differences; they face discrimination by reason of colour or religion.

Generally speaking, immigrants accept those hardships. They feel it is the price to be paid for acceptance in this country. But the same does not apply to French-speaking Canadians. They are more than a minority, they are part of a minority ranking as an equal partner in this Canadian nation. This is a hard fact of Canadian life, recognized by all parties in Parliament

—except the right hon. member for Prince Albert (Mr. Diefenbaker) and his friends.

However, moderate Francophones who are the majority in Quebec must constantly fight on two fronts. They have to fight the separatists whose arguments appeal to the emotions of their fellow citizens. They also have to fight Anglophones who, imbued with a racial superiority complex, make little effort to acknowledge the French fact in their daily lives.

Recent developments have been helping the Parti Québécois and the separatists.

The Official Languages Act is the mortar that binds this country together. Within its terms is enshrined the legal right of Canadians of both languages to be served in their own language by their national government throughout the country. Whenever possible, I feel it is the people's wish that the government provide that service. This was the crux of the air traffic control conflict. If safety and bilingualism are compatible, why deny the implementation of bilingualism in that sector?

A majority of citizens in my riding, and certainly in this country, react favourably to the linguistic and cultural dilemma faced by our French-speaking partners. Only those who are misinformed are unable to accept the inevitable, namely that our country is made up of two founding peoples with two official languages.

[*English*]

The initiation of French immersion courses in Ottawa, with significant federal financial assistance, has achieved a measure of success almost embarrassing to the government of Ontario, which has substantial jurisdiction over education. The success of this and other programs across the country probably prompted Mr. Spicer to advocate increased bilingual education of young Canadians in Canadian schools.

Following Mr. Spicer's sensible recommendations, and in keeping with the sentiments expressed in the Speech from the Throne, I have a suggestion to make to the newly appointed Secretary of State (Mr. Roberts) who, incidentally, is sitting in this House now. He will, I believe, make a tremendous contribution to national unity in his new office. When federal-provincial authorities this winter discuss the renewal of agreements whereby the federal government pays a share of post-secondary education, I believe the government should make, as a condition of its financial support, the requirement that those seeking entry to all university degree programs should be proficient in a second language. The second language need not necessarily be French or English; it could be Italian, Greek, Ukrainian or just about any second language.

This would encourage the children of new Canadians whose mother tongue is other than French or English to pursue their cultural heritage. At the same time, they would be credited with skill in another language for purposes of university entrance. The children of English-speaking parents would, I believe, opt almost exclusively for French as a second language, and children of French-speaking parents would opt almost exclusively for English studies.

I have noted in Toronto during the past few years, on the radio and the other media, expressions of hostility aimed at the Official Languages Act and the undeniable fact of this country's two founding languages and cultures; yet English-speaking parents, especially those in the largely defined middle-class, are among the first to demand French immersion courses in their children's schools. In metropolitan Toronto there are waiting lists of English-speaking students wanting to get into French immersion schools. It is noteworthy that the Ontario Minister of Education, Mr. Wells, recently said it was his aim and the aim of the government of Ontario to ensure that French immersion courses are offered by every school board in Ontario where there is a demand. That is certainly a start.

• (1610)

[*Translation*]

The time has come for the moderate people, who are the majority in Canada, to come forward and speak the language of reason. This is not the time to remain silent.

Particularly for the Anglophones.

What is at stake is Canada as a nation. It is also the principles of justice and democracy which have served us so well for more than a century. For myself, I do not intend to remain silent.

[*English*]

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I wish to begin by commending the mover and the seconder of the address in reply to the throne speech, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance), on their forthright comments

and, in particular, their brevity in speaking. That was surely a most worthy example for all of us in this House. Also, I wish to record my deep and sincere appreciation for the courage and determination shown by their Excellencies the Governor General and Madam Léger in their very able presentation of the throne speech.

Some hon. Members: Hear, hear!

Mr. Hargrave: It is my intention this afternoon to make some very specific remarks relating to our Canadian cattle industry. Before doing so, I hope it will be appropriate to make a few brief references to my home constituency of Medicine Hat. Approximately half the population of the federal constituency of Medicine Hat live in the city of that name and in the nearby industrial town of Redcliff. The mayor of Medicine Hat, Ted Grimm, recently announced a new population figure of 33,220, an increase of 17 per cent over the past two years. He said that in his opinion this rapid rate of growth had peaked and that the city was now in a consolidation phase of more modest growth.

At the same time, the mayor of Redcliff, Alf Dutton, can rightfully be proud of an annual population growth of 10 per cent over the past six years to a current total of 2,991 at the June census. These are satisfying growth figures. I should know, because after many years of no growth or, indeed, periods of population shrinkage, these figures are indeed satisfying to those of us in my constituency. They are mainly the result of our recent petrochemical and fertilizer development which is just now coming on stream.

The petrochemical industry is very important to the joint communities of Medicine Hat and Redcliff. The day after the throne speech was presented, Premier Lougheed of Alberta reminded all Canadians of this fact. In a brief reference in his state of the province speech, the premier made it very clear, and I quote:

> Petrosar is a reality but one thing it won't be is an approved purchaser from the Alberta Petroleum Marketing Commission.

He also reminded us that this Alberta position was clearly spelled out on May 16, 1974. Last weekend, at our Quebec City caucus, I had a most interesting conversation with a Quebec lawyer on provincial resource development. We were generally agreed that Alberta and Quebec held somewhat similar views as to the development of non-renewable resources within our provincial boundaries. As I said, we were agreed on this. However, just as we parted company my Quebec friend said, as a very profound afterthought, "The only trouble is, you people in Alberta have too much."

It is not my intention today to make any apologies for my premier or my province. However, I do suggest that the rough justice of the 1930s on the prairies has finally been somewhat tempered two generations later. I also suggest that our at-home non-renewable resource development is necessary to compensate for the present-day transportation inequities. Our resources must be developed wisely. We in Alberta are very conscious of this and we will be ever mindful of the non-partisan wisdom all of us were privileged to hear last night from my colleague, the hon. member for Malpeque (Mr. MacLean). After all, land and its resources are not something you inherit from your parents; they are things you borrow from your children. We should never forget that.

During the summer recess, at various meetings, visits and travels in my constituency the topics of conversation raised by my constituents nearly always involved at least one or all of the following topics: the obvious bilingual issue, the international political footwork of the government during the Olympics, the capital punishment, peace and security package of legislation, and the government's controls policy. There were very few purely local issues raised with me, just these very serious national and international ones. It should come as no surprise to all members that there were the usual salty comments about the decline in popularity and credibility of the Trudeau government. Running through all these constituency chats was a distinct undercurrent of suspicion and distrust of the direction in which Canada is heading.

Finally, after four years, the left of centre emphasis on legislation that began in the two-year minority parliament is being seriously questioned, if only because of the staggering costs that are now so apparent, surely, to all Canadians. Yesterday's by-elections' results must surely be the final proof, if any were needed, of this personal assessment.

I now wish to turn to agricultural matters and to the Canadian beef cattle industry in particular. No Speech from the Throne in recent memory contained less reference to agriculture than the one now under debate. Only 42 words were used to discuss strictly farm matters. It seems "consultations" are finally to be held with the provinces and farm organizations to "strengthen the structure and productivity of Canadian agriculture". Surely the major disappointment must be that Canada's beef cattle crisis was completely ignored, and this in the face of continuous and massive offshore beef imports and another pending beef war with the United States triggered by President Ford's beef quota announcement on October 9.

Let us examine our current cattle situation. The two major components of our cattle industry, cow-calf and the feeding sectors, continue to be seriously depressed with market prices well below actual costs of production. Fat steers have been losing from $50 to $125 per head since early spring. The same situation generally holds true in the U.S.A. An expected upturn in fed cattle prices in both countries did not develop because of three factors—abnormally high steer numbers in the beef pipeline, the excessive level of beef imports from Australia and New Zealand, and continuing high domestic feed grain prices which contribute so much to sustained high costs of feed lot gains.

● (1620)

The North American beef cattle industry is in serious trouble, essentially because we have too many cattle, especially cows and steers. There is only one outlet for this abnormal production—consumers in the United States and Canada. The cost of moving surplus beef offshore is prohibitive and only

accentuates the truth of the fact that no other country in the world can afford to buy North American cattle or beef even at today's depressed producer prices. We must continue, literally, to eat our own surplus on this continent. I must add that we are doing a pretty good job of this. Canada's beef consumption, per capita, is up by five pounds compared to the same period last year.

After a seven-year build-up in cow numbers—43 per cent for beef cows—our national breeding herd began to decline in the fall and winter of last year. But last year's record high calf crop is still in the beef pipeline. Cow numbers will continue to decline this fall and winter, but there is no indication of any shortage of breeding cattle or, of course, feeder cattle. Last August, the U.S. Beef Industry Council summed up the whole situation very succinctly by saying:

> Everything comes down to having 10 per cent to 11 per cent more beef production this year than last . . . we have to work extra hard to move this large supply.

There are two issues currently before our Canadian cattle industry. Each is highly political and their successful resolution is indispensable if the present cattle crisis is to end. First, there are the offshore beef imports from Australia and New Zealand. I consider this issue to be the most important one in the short term. Second, there is the Canada-U.S. cattle and beef trade which I consider to be more important in the area of long-term policy determination.

While these two issues have an obvious common denominator—cattle—they are separate and distinct and must be discussed separately. With regard to the offshore imports issue I would say this: in the face of current record high supplies of North American beef, the last thing we need is a massive increase in imports of beef from "down under." Accumulated imports for the first nine months of 1976 are now up by approximately 55 per cent over the same time-frame in 1975. Some 145,118,000 pounds of frozen carcass and boneless beef entered Canada as of the week ending October 2, 1976, an increase of about 50.9 million pounds compared with 1975.

With the unlimited access to our markets presently enjoyed by Australia and New-Zealand, year-end totals will make up approximately 10 per cent or 11 per cent of total Canadian beef consumption. Further complicating this issue, such imports have been priced 15 cents to 25 cents per pound below the prices of equivalent imports into the U.S. markets and right now they are still coming in up to 15 cents below those prices in spite of the one-sided "six cents under" rule agreed to by Canada on June 11 last.

Why should a pound of Australian or New Zealand beef be worth less than a pound of Canadian beef? This so-called "six cents under" rule was a sell-out by our Department of Industry, Trade and Commerce and its minister at the time. Apparently, the Minister of Agriculture (Mr. Whelan) was a party to the deal.

My questions in the House on July 7 and July 8 stated the cattlemen's position in no uncertain terms, and the former minister of industry, trade and commerce said he would take them as notice "to find out the basis of the conclusion which was drawn". Of course, the minister never did respond in the House to the questions I raised. On July 16, in anticipation of this lack of action, I wrote a personal letter to the minister asking for a proper explanation. Two months later he did respond in the course of a lengthy letter which sought to justify the "six cents under" rule. He said, in part:

> During recent years the Canadian boneless beef market has been based on an export equivalent, a term with which you, as a cattleman, are familiar. The price for boneless beef and cows in Canada has been determined by the level at which boneless beef, cows, or both, could be sold in the United States.

I am indeed familar with the term "export equivalent", but I am amazed that the minister's senior staff would be so naive as to advise him that Canadian market levels are always at this export equivalent. Our boneless beef market is determined by the dominant U.S. market, but in actual practice it floats between a Canadian export floor and a U.S. import ceiling. Our minimum boneless beef price will be the United States price less tariff, less freight, less other expenses, plus or minus the dollar exchange. Our maximum price would be the United States price plus tariff, plus freight and other expenses, plus or minus the dollar exchange. This means, of course, that depending on the relative domestic supply situation in each country, our prices can be above or below United States prices.

There is no reason that Canada should always operate at the export floor level. The "six cents under" rule simply means that Canadian producers are paying the tariff and transportation charges on equivalent volumes of Australian and New Zealand beef imports. This is a considerable amount of money. Hon. members may be familar with the current round of questions in the House on this issue.

In spite of the statement by the Minister of Agriculture as reported at page 103 of *Hansard* of October 15, that no beef or veal would be allowed into Canada after Sunday night, October 17, unless by permit, one fact remains clear: nowhere has the minister stated he intends to restrict, reduce or, hopefully, temporarily stop Australian and New Zealand beef imports into Canada. The minister's individual permit device is merely a diversion which indicates no intention whatever of "federal action to protect beef markets", to quote the heading of his news release of October 13.

The Canadian cattle and beef market continues to remain the only major market in the world without protection against offshore imports. United States cattle producers have their meat import law and we saw how effective it was last October 9. The minister refuses to consider the counterpart of that, a Canadian meat import law; he says that our Export and Import Permits Act will accomplish the same results. But nowhere has he acted to use this legislation that is presently on the books. I say to this House that it is completely irresponsible for the Minister of Agriculture to suggest that these imports do not compete with our fed cattle markets. He has said this consistently all through the summer.

● (1630)

While our frozen carcass imports generally supplement our domestic cow-beef supplies, these frozen, boneless cuts do compete directly with our grade A fresh beef supplies. Witness

last week's sudden market strength in the United States that was due mainly to a sympathetic reaction by U.S. cattlemen and the entire industry to their prompt quota action on offshore imports. The same market increases could occur here if similar action were taken with respect to offshore imports of beef.

Before leaving this item, Mr. Speaker, it should be pointed out that in 1975 Canada had a deficit trade balance with Australia and New Zealand of some $113,034,000. Historically, Canada has been a net exporter in its trade with these two countries until the last few years. Our main export commodities to Australia and New Zealand are manufactured products. It now seems highly probable that the Department of Industry, Trade and Commerce is deliberately using this trade deficit as a trading lever for further manufactured goods in our trade with these two countries—at the expense, of course, of our Canadian cattle industry.

I should now like to deal with the second major cattle issue, the Canadian-United States cattle and beef trade. As I intimated earlier, this is the more important in terms of long-term policy development for Canada's cattle industry. Recent developments in our cattle and beef dealings with the United States have become headline items, starting with the firing of United States Secretary Earl Butz and the subsequent imposition of meat import quotas by the United States. This, of course, is recognized as a highly political issue in that country, with both parties trying to attract the farm vote in the final stages of their election campaigns.

Let me take a quick look at the cattle and beef trade with our trading partner, the United States. The following figures are from the Department of Agriculture's blue book of statistics on livestock marketing, and they are for the last week of record, October 2, 1976. These are the cumulative totals from January 1 to October 2, 1976, a period of some nine months. Canada's imports of beef amount now to 17.8 million pounds; one year ago the corresponding figure was 9.4 million. As for imports of slaughter cattle, which includes both cattle and slaughter calves, imports amounted to 147,804 head; last year the corresponding figure was 65,653 head.

Now the other side of the coin, our exports to the United States. We exported 71.8 million pounds of beef, compared with only 14.5 million pounds last year. As for cattle, which includes four categories, slaughter cattle, feeders, beef breeding cattle and slaughter calves, we exported 231,936 head this year, compared with 34,065 head in 1975. It is of interest to note that during the last week of record, ending October 2, 5,837 head of slaughter cattle and calves were imported into Canada. I repeat, that was in one week, Mr. Speaker. Most of these cattle came into either Ontario or Manitoba. The point is that right now, in spite of heavy imports of United States fed cattle, in our total trade balance with the United States we have a substantial positive trade balance in dollars, number of head and pounds of beef. We should not forget that at the negotiating table with the U.S.A.

Several weeks ago our agricultural minister made some statements on CBC radio concerning offshore imports. He took the occasion to sort of brag about this healthy Canadian trade balance with the United States. Surely, in view of recent developments, this was not a very prudent thing to do—to rub it in, if you like, or to flaunt it in the face of United States cattlemen and politicians in the heat of their presidential campaign. Canada cannot afford even remotely to consider another cattle and beef war with the United States. Our memories cannot be that short.

While I have always strongly supported the concept that we must remain a vital part of the North American cattle and beef market, I quickly add that this concept must be fair both ways. Right now, the United States meat import law and their 10 per cent ad valorem duty on our processed meat exports gives a clear advantage to the United States at the negotiating table. I suggest that Canada's cattle industry is much better off in the North American market, even if we have to negotiate these unfair items, than risking the total loss of the United States market which must be considered inevitable if our cattle industry moves in a supply-management direction. Let us not forget, Mr. Speaker, the 100,000 Canadian cows that were absorbed by the United States market in 1975, or what they would have been worth in Canada without that market.

Yesterday afternoon unofficial United States sources suggested that our U.S. quota will be 80.4 million pounds of beef for the whole of calendar year 1976. I stress that this figure comes from an unofficial United States source. This, of course, is considerably short of the minister's figure of 90 million pounds. With the actual figure now approaching 74 million pounds as of today, it becomes more important than ever that Canada act immediately to restrict Australian and New Zealand imports before our own surplus starts to back up when the United States quota is filled, perhaps early in November.

I have been somewhat critical, Mr. Speaker, of the government's direction, or lack of it, in our cattle industry, particularly under the agriculture and industry, trade and commerce ministers. I trust that the members of this House will recognize that these are truly objective comments, even if it is the way I see it.

In concluding these throne speech remarks, I wish to record, again as I see it, three short-term policy recommendations and four long-term policy considerations relating to our beef cattle industry. I shall deal first with the short-term items. First, there should be immediate and even retroactive action on the Australian-New Zealand meat import issue by the establishment of a Canadian meat import law or by making the import permits act really work. Second, if federal political action is necessary at the producer level, let it be limited to a stop-loss stabilization approach as provided for by the minister's own Bill C-50, but not a top-loaded plan.

• (1640)

Third, let those provinces already operating their own programs—they are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec—continue until a federal stop-loss policy becomes operative. You must remember that a number of these provincial plans are based on individual

five-year contracts, so it would be extremely difficult to superimpose a federal program on them. At the same time, and in addition to the last item, let us have an announcement now as to what the fed cattle support price is for 1976. Surely this is long overdue; it has been promised by the minister practically throughout the year.

Let me turn to long-term cattle policy considerations. First, we should not be recommending supply-management for Canada's beef cattle industry. If this development ever comes into being, it must be as a result of a request by Canada's beef producers only, and not by federal government promotion. Second, we should strive to preserve the North American market concept that recognizes the two-way flow of both live cattle and beef with nominal tariffs only between Canada and the United States. Third, we should recognize and eliminate the east-west inequities that currently exist—I am thinking here of transportation costs—resulting in a gradual but definite shift in Canada's feeding industry for cattle and hogs from western Canada to Ontario and Quebec.

Fourth, we should decide now that Canada can, and should, go all out to produce cattle and beef in vigorous competition with the United States, even if it means moving to a net export position. I am sure that is the position we now have in Canada. Finally, Mr. Speaker, surely our Canadian cattle industry has had far too many ill-advised, short-term, ad hoc government policies, both federal and provincial, with absolutely no clearly defined long-term policy objectives. The single exception here, of course, is the obsession of the Minister of Agriculture in respect of supply management for our cattle industry. This is an approach which I cannot accept. Surely the time is overdue for politicians to think and plan in terms of the next generation of cattle producers, rather than in terms of the next election. Promises of federal subsidies might win a few votes and lose our cattle industry.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grenville-Carleton (Mr. Baker)—Floods—Government reaction to petition for control measures on Rideau River; the hon. member for Hillsborough (Mr. Macquarrie)—Energy—Request for subsidy to Atlantic provinces—Government action; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Housing—Possibility of additional funds for rehabilitation of existing units.

[Mr. Hargrave.]

[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. John Wise.

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, the Speech from the Throne and the speech by the right hon. Prime Minister (Mr. Trudeau) dealt largely with the problems facing this country and the choices which are open to the Canadian people, at a time when Canada no longer seems able to maintain a precarious balance between economic growth and the distribution of national wealth, through traditional means. My obvious interest in federal economic policies which has led me, ever since I was elected to this House, to sit on the Standing Committde on Finance, Trade and Economic Affairs, on the Standing Committee on Regional Development and on the Standing Committee on Public Accounts, might also induce me to expound in this debate the principles of what may be the foundations of economic democracy in Canada today.

However the resignation of the Minister of the Environment (Mr. Marchand) on June 30, the rulings by the Quebec Supreme Court and the Quebec Court of Appeal in the case against Air Canada, and more recently, the resignation of the Minister of National Defence (Mr. Richardson) are issues which, to say the least, must be tackled. Therefore I feel I ought to deal exclusively with the first part of the Speech from the Throne, namely the part entitled "National Unity". In this connection, I must say that, because of the crisis Canada is facing today, this part of the official prose cannot be said to be erring on the side of audacity, still less by the boldness of major reforms which the problems our country is facing now would warrant, in my opinion.

Those who, at the time the Official Languages Act was adopted on September 6, 1969, believed for a while that bilingualism was once and for all with us, forever part of the Canadian structure, lost their remaining illusions when the former minister of national defence made public his letter of resignation. In this letter, he stated, quote:

> . . . it seems to me that most Canadians would consider it prudent to continue for some time longer with the bilingual experiment before agreeing to entrench increased language rights, for all time, in the Constitution.

Mr. Speaker, there is nothing new in this statement; it is only the extension of a vision of this country which dates as far back as the Treaty of Paris of 1763, at a time when James Murray was cleverly administering the Test Oath, controlling British immigration and the imperial economy. This vision which the former minister is echoing again was more rudely expressed in an infamous report, both in its excessive and racist approach. Lord Durham wrote in February 1839, and I quote:

Do French Canadians constitute a nation? . . . I do not know of any national feature which marks and maintains a more desperate inferiority . . . It is to extricate them from their inferiority that I wish to give Canadians our English character . . . I want it in the best interest of educated classes whom language and custom barriers keep apart from the great empire to which they belong . . . I am even more in favour of amalgamation in the interest of lower classes . . . If those people try to improve their condition by speading out into the neighboring country, they will necessarily come into closer contact with an English population; if they prefer to stay put remain where they are most of them will become labourers working for English capitalists. Wrongs generated through hardship and dependance would simply be aggravated and increased by feelings of a jealous and rancorous nation which would separate the working class from the owners of wealth and the employers of labour. These people have no history and no literature. Their nationality prevents them from enjoying the pleasures and the civilizing influence of arts.

For the royal observer, French Canadians were reduced to a state of inferiority, poverty and dependence. To improve our lot, the British lord suggests that we become good English workers, working in English for English capitalists under English peace and English civilization.

● (1650)

Those words did not fall on deaf ears, Mr. Speaker. Manitoba's joining Confederation made it possible to follow that advice. Need I remind the hon. member for Winnipeg South (Mr. Richardson) how the French language lost its official status in Manitoba? A little more than a year was enough. All the steps which were taken from February 4, 1889 to March 28, 1890, coincided in fact with a number of others to close the French-speaking Roman Catholic schools.

On February 4, 1889, a report by the committee on the printing of the proceedings recommending that the Votes and Proceedings no longer be printed in French was adopted. On February 11, a resolution amended the rules of the House so that motions would no longer be put in both languages and the bills would not be printed in French. On March 7, it was decided that the notices concerning private members' bills would be published in the English journals only. On March 20, Bill 43 was passed to abolish French juries. On March 22, Bill 70 was passed. It was entitled "An Act to provide that the English language shall be the official language of the Province of Manitoba". Finally, on March 28, 1889, a second report from the committee on printed material was passed which recommended that minutes and statutes be printed in English only.

Strengthened by its success and the speed with which action had been taken in the case of the courts and the legislative assembly, the government of Prime Minister Greenway decided then to tackle the school system. Besides, according to the liberal philosophy of the times, cultural and linguistic freedoms were to exist only to the extent where they were supported by a majority. The French speaking group in Manitoba which represented half the population in 1870, had gone down to one third in 1890. Having dwindled to a minority, it was easy to abolish the French sector of the school system since, according to that same so-called liberal philosophy, the majority had all the rights.

Of course, at the time, the case went before the courts. An appeal was made to the Governor General who took the case before the judicial committee of the Privy Council in 1894. The judicial committee recognized the claims of the French speaking group and sent the case back to the Governor General. But an ultimatum delivered by the federal government to the government of Manitoba in 1896 remained a dead letter. The Conservative government was defeated and Laurier came into power on November 19, 1896. A compromise was reached which left only a semblance of rights. In some cases, a teacher may teach in French and in English in those schools where there is a great number of Francophones. And with time, the number of Francophones in Manitoba went down gradually. In 1951, French was the mother tongue of 7 per cent of Manitobans. In 1961, 6.6 per cent and in 1971, 6.1 per cent. Hopelessly left to themselves, these Francophones are on the verge of assimilation. A projection of those figures over a longer period leaves no doubt as to the trend of the curve. In 1931, in Manitoba, the rate of Canadian-born Francophones adopting English as their mother tongue was 12.1 per cent. In 1971, it was 35.5 per cent.

Without batting an eye, the former Minister of National Defence goes on to say:

As years go by . . . bilingualism proves its merit, or disproves its worth, as a Canadian ideal.

There we are, 140 years after the Durham report. The member for Winnipeg South refuses to entrench the linguistic and cultural duality of Canada. Without blenching, he equates the rights of individuals with the programs aimed at having them respected. As far as he is concerned, the recognition of a right is inseparable from the administrative means of ensuring its respect. I ignore what concept of civil liberties is involved in the reasoning of the former Minister of National Defence, but how can we not recognize today that if there is so many problems to be encountered on the road to bilingualism, it is partly because certain provinces in Canada have contrived as early as 1870 to abolish all the rights of the French language, without realizing that one day the country might well be torn asunder unless the indefeasible rights of its citizens get to be guaranteed by law.

History, at least the history of Manitoba, shows that once the French language has been eradicated from public institutions, the rate of assimilation of the French-speaking community is greater and, as a consequence, its size tends to decrease.

So this is how some people with a certain amount of blunt straightforwardness see their responsibility with respect to the freedom and the rights of one of the communities which has been endeavouring since the 17th century in this country, despite difficulties, hesitations, half-successes, to build a society a little more tolerant, a little more pluralist, under conditions where the choice of values has to remain the responsibility of the individual and where the state must refrain from opposing diversity and dissidence either by constraint or by intimidation, or even less by omission.

But if Canada, as it is now, is to have a future, the absolute respect of the cultural rights of its citizens will have to be its unremitting task. Each of us is part of the natural or historical community in which he grew up. Each individual is a living

system of behaviour, values, knowledge, ideals and dreams. The cultural right is the power everybody has to remain what he is, unadorned and unadulterated. Wanting to get rid of your origins is to kill your originality. Against the assault of a state, an economy and a dominating culture which levels behaviours and erase specific characteristics, the right to be oneself, to be different, the respect of diversity do not represent, whatever the former minister of National Defence (Mr. Richardson) might think, a threat for national unity throughout Canada. A nation which fails to formally recognize in its political structures the right to cultural freedom does deserve to survive and it is its citizens' duty to do their best to give themselves the political structures which will ensure their own protection, with all their limitations and yearnings. Absolute respect for cultural differences cannot break up or impede the growth of a state; on the contrary, abusive centralism can do more to create oppositions and tragedies.

If national cohesion must exist in Canada, it will paradoxically be a cohesion of differences, not similarities. This will be a country where the economy, peace and civilization will not be exclusively English. To think that French-Canadians can lend themselves much longer to bilingual experiments before they may be assured that their rights are definitely safeguarded in the Canadian political structure is to attach very little importance to the lessons that the French-speaking community is learning from the crisis in air communications and at Air Canada. A Canadian federal state which strives to be a "liberal" democracy must entrench in its Constitution the respect of the linguistic and cultural freedoms of its citizens.

The passing of the Official Languages Act in 1969 was a first step toward the explicit and formal recognition of the English and French language rights in federal institutions. When one tries today to measure how far we have gone, one is surprised to find that the results are still so little and people are so reluctant. There were loud cries about French power, the invasion of the public service by French-speaking bureaucrats, the violation of the merit principle. What is left after all those denunciations and scarecrow frights?

In the Department of External Affairs, there are no French-speaking bureaucrats in senior official positions. In the Department of Communications from 1974 to 1976, the number of French-speaking people at those same levels varied by eight tenths of one per cent. The percentage of French-speaking technocrats in the scientific and professional category did not vary in three years. In the Privy Council, from 1974 to 1976, the number of French-speaking employees decreased in both categories by 2.4 per cent in senior official positions and 16.4 per cent in the scientific and professional category. In the Department of Energy, Mines and Resources, French-speaking civil servants occupy 7.1 per cent of the senior official positions and 6 per cent of the scientific and professional positions. In the Department of the Environment, they represent 7.1 per cent of the personnel at that level.

From 1974 to 1976, in the Department of Finance, the number of French-speaking senior executives dropped from 9.1 per cent to 7.1 per cent. In the Department of Industry, Trade and Commerce, the proportion varies between 11 and 13 per cent. Even in the Department of the Secretary of State, in the scientific and professional category, in the last three years, the number dropped by 12.9 per cent.

As far as the Department of Transport is concerned, the number of French-speaking employees decreased in those two categories. It fell from 8.5 per cent in the executive category in 1974 to 6.2 per cent in September 1976. In the scientific and professionnal category, it went down from 13.1 to 12.2 per cent.

Those figures show, Mr. Speaker, that still very few French-speaking civil servants made it to the top. There is no way the progress made so far can be said to be preferential treatment; indeed, it has been so slow that one might wonder if in the present context it will be possible to create that "critical basin", that "cultural density" needed to channel present trends with regard to Francophone participation in the Public Service, so that the ratio of French-speaking civil servants will be equal to that of French-speaking Canadians.

To solve those problems a review of the first part of the resolution passed by Parliament in June 1973 is needed. Appearing before the Standing Committee on Miscellaneous Estimates, on April 29, 1976, the Commissioner of Official Languages made those comments and I quote:

● (1700)

> As a ball-park guess, I would surmise that a good three-quarters of the money that goes for "bilingualism", in effect, protects the careers of unilingual Anglophones. When you look at double banking, language training, and, even, translation, much of it is to protect Anglophones. The one comment I would like to make to some people, who are not enchanted with the whole idea of language equality, is that one can criticize the program because one thinks it is unfair, or because one thinks it is a waste, but one cannot really do both at once . . .
>
> Language courses cost a lot of money, and, if you want to belly ache about discrimination and rumour monger about terrible scandals against English-speaking in the Public Service, then, get ready to pay for it. I think Parliament bent over backwards, in June, 1973, when it guaranteed that unilinguals would have exactly the same rights as bilinguals, in applying for bilingual jobs. That resolution of June 1973 was necessary politically. But I just point out, since we are all looking at a bit of cost-benefit and value-for-money analysis after the program has been going for 5 or 10 years, that sooner or later I think we are going to have to look at the long term payoff . . . The June 1973 resolution should not be considered as a permanent panacea.

We should therefore, Mr. Speaker, amend as soon as possible the provisions of this resolution so as to grant to recognized bilingual applicants only the advertised positions classified as bilingual, subject to competition. It is with such a reform only that we shall be able to create bilingual districts without at the same time suppressing the desired effects.

Mr. Speaker, three major factors have influenced the development of various linguistic groups in Canada. The most basic factor is of course the language spoken by the immigrants. But everything has contributed and still contributes to give the English language an ever increasing importance in Canada: the increasing number of ethnic groups who choose almost exclusively English as their spoken language; linguistic mobility and differences in the birth rate which prevent us from maintaining linguistic balance.

From 1871 to 1951, nearly 80 years, the French-speaking people made up nearly 30 per cent of the Canadian population. Today, they constitute 28 per cent only, and if the differences noted in 1971 between the mother tongue and the spoken language prevail until the year 2000, population experts foresee that the French-speaking people will then make up 23 per cent of the Canadian population and it is outside Quebec that the decrease will be more noticeable. Without drastic initiatives, there will of course remain centres of resistance in northern New Brunswick and the northern part of Ontario adjacent to Quebec, but elsewhere there will remain only marginal sub-groups.

Even in Quebec, the attraction of English is ten times that of French. In 1971, in Montreal, 66 per cent of the population was French-speaking. If the same conditions prevail, in the year 2000, only 59 per cent of the population of Montreal will be French-speaking. The assimilation rate of English-speaking people in Quebec is five times lower than that of French-speaking Quebecers. Even bilingualism has a marked assimilating effect among French-speaking people outside Quebec and New Brunswick. It will therefore be necessary for the federal government to define the elements of a demographic policy for Canada during the debate on the amendments to the Immigration Act announced in the Speech from the Throne. We cannot accept that a government supposedly anxious to preserve the stability of relationships between the main communities in Canada go on ignoring the effects of immigration on the linguistic imbalance.

At the same time, this population policy would only be successful insofar as it is supplemented by a much more dynamic policy of assistance to French-speaking minorities, a much better funded policy that acknowledges the fact that Francophones outside Quebec are in danger of being assimilated before long to the English-speaking majority. In the past 40 years, the assimilation figures have, generally, more than doubled. At this rate, 25 per cent of the Francophones in New Brunswick will be assimilated by the year 2000 and for all the other provinces, the percentage will exceed 60 per cent. This policy of increased assistance to Francophone minorities must be based mainly on a cultural policy which is tragically lacking.

The Massey Commission on National Developmnt in the Arts, Letters and Sciences submitted its report more than 25 years ago. At that time, that is in 1951, none of the great modern mass media had appeared on the scene: the CRTC, the CBC, cable television, none of these media which directly influence our personal values, shape our collective behaviors and social perception, existed then. Culture as we see it today is no longer restricted to the so-called classical arts. It encompasses even more every aspect of life in society and of the individuals which live in it.

Along with the conventional arts there are today the cultural environment, communications, regional development and popular culture, the economic aspects of culture, the cutural industry, its manpower and the whole network of influences and exchanges which the Massey Commission could not imagine in 1951. Twenty-five years later, we must try to define a cultural policy which takes more into consideration the linguistic balance that Canada tries to achieve and assigns a special role to communications in the definition and perception that the Canadian society may have of itself.

The goals of pursued by the federal government are not inconsistent with those of the provinces, especially those of Quebec, provided an attempt is made to steer clear of constitutional technicalities. Consequently, the government should set up without delay a commission whose terms of reference would be to define the terms and conditions of a cultural policy in accordance with the linguistic duality of Canada. Furthermore, the government should review the whole concept of the legal safeguard of linguistic rights. The Victoria Charter proposed to restore all linguistic and cultural liberties in the public institution that had progressively abolished them in the English-speaking provinces.

However, as its fate is still uncertain, the federal government should reaffirm its determination to see to it that English and French have equal status, rights and privileges in all institutions and in all matters under the jurisdiction of the federal government and Parliament. To this end, it must exercise its authority pursuant to section 91 (1) of the British North America Act and entrench in the constitution of the federal Parliament section 2 of the Official Languages Act. The federal Parliament has every power to amend the constitution but such powers are subject to the concept of power sharing, as set out in sections 91 and 92, to the office of Governor General and to the linguistic rights, as defined in section 133. Nothing in the wording nor in the philosophy restricts the power of the federal Parliament to provide a constitutional and a legal safeguard to the equality of both languages within federal institutions. This should only prompt even more the provincial governments to agree to append the provisions of the Victoria Charter on individual rights and liberties to a patriated constitution.

Mr. Speaker, I therefore intend to urge my colleagues in the House to take part in the debate on the repatriation of the Canadian constitution, so that the linguistic and cultural rights of the two great Canadian communities be constitutionally and legally safeguarded.

The government announced its intention of introducing a Human Rights Bill. According to the text of the announcement, the major effect of the bill will be to prohibit discrimination on the grounds of race, colour, national or ethnic origin, religion, age, sex, marital status or physical handicap.

Well, as one can see language is not mentioned in the list of guaranteed rights. We strongly maintain that linguistic discrimination must be penalized and repressed in the same manner as racial discrimination; why prohibit discrimination on grounds of religion and not on grounds of language, whether it is Spanish, Ukrainian or French? Therefore we must make sure that adequate amendments will be introduced at the right moment. At the same time, is it proper to repress linguistic discrimination in national bargaining units.

The government cannot assert on one hand they want to protect civil and public liberties while accepting on the other hand that their partners in the collective bargaining process openly indulge in language discrimination; the judgement made by the Public Service Staff Relations Board on March 12, 1976, following the grievances of Jean-Luc Patenaude against the Canadian Air Traffic Controllers Association creates a precedent which we must prevent from repeating. It is unacceptable that duly elected labour representatives, such as Mr. Réal Vaillancourt, an executive member of Local 1751 of the International Association of Machinists and Aerospace Workers, still have to resort to legal procedures so that their union may obtain the right to work in French in the province of Quebec, not in Winnipeg, but in Montreal itself, where there are still mostly French-speaking people, so far as I know.

As long as employees of the federal public service or agencies or Crown corporations will be discriminated against without any action whatsoever being taken against the people responsible, any hope of seeing both language groups work peacefully and closely together within the same working unit will be pure utopia. It will therefore be necessary to amend sections 39 and 42 of the Public Service Staff Relations Act in order to give language rights in staff relations the same protection as guaranteed by law to race, national origin, color, sex or religion.

On the other hand, in view of progress made and difficulties encountered since the Official Languages Act was passed, we must without further delay review, extend and adjust the legislation so it will reflect current conditions.

First of all, the studies which are made by the Official Languages Commissioner on progress and problems encountered by each department or agency trying to reach the goals defined in the act and which are submitted to the Privy Council, must be followed up by Parliament. Too many annual recommendations from the commissioner have been laid to rest and too many departments have given more priority to administrative efficiency than to the fulfilment of this obligation. We therefore suggest that any report to Parliament under that legislation be referred to a Commons committee for study and recommendations to be tabled within twelve months.

● (1710)

It is essential to find procedures for reviewing and implementing the recommendations given to Parliament by the Commissioner of Official Languages. The present situation of Air Canada gives us an example of the shortcomings of the legislation in that respect. Each year for the last five years, the commissioner has issued recommendations which unfortunately fell somewhat short of being likely to bring the operations of the company to the level of equity sought under the statute. Therefore we must now proceed to the following stage and reinforce parliamentary control.

On the other hand, the fabric of public services in Canada is such that its exploitation must be left partially to the private sector, as is the case for telecommunications and air transportation. This situation has its advantages but requires special controls and monitoring from the federal government. This is why our system has organizations which are responsible to see that these undertakings—which are part of public services or manage them and constitute, de facto or in right, a sort of monopoly in a region or even in the whole country—conform to the same standards of linguistic equity as the one being imposed on corporations and Crown companies.

Why should Air Canada have to enforce the Official Languages Act on the Montreal-Paris flight while CP Air would not on the Toronto-Milan line? CP Air and Bell Canada operate monopolies under the guarantee of organizations responsible before Parliament. These concerns have licences to operate in the public interest and in return for profits. Strangely enough the Official Languages Act does not apply to these undertakings and yet the linguistic rights of our citizens must be protected, whoever administers these services.

It is only fair therefore to restore the balance and extend enforcement of the Official Languages Act to monopolies which in fact or in their own right operate or offer public services. So we will move an amendment to the law, which will ensure that the same quality of service and equal access be readily available to both linguistic groups.

The one goal of these reforms, amendments and initiatives is to buttress an overly delicate balance, restore confidence among the majority of French-speaking people—particularly in Quebec on the eve of elections—through determination of Parliament to establish firmly in the political institutions of the country the conditions without which this debate night very well end up in an open conflict.

Court proceedings had to be initiated to secure implementation by a federal corporation of an Act that was meant to be the foundation of the Canadian political structure, and the distinct safeguard of the linguistic rights of French-speaking Canadians.

The concepts nurtured by the various parties to the proceedings against Air Canada and the Federal Minister of Transport (Mr. Lang) in recent months are best described in the ruling made by the Chief Justice of the Quebec Superior Court on April 6, 1976, in the case of The Protestant School Board of Greater Montreal vs. The Minister of Education of the province of Quebec.

Justice Jules Deschênes wrote, and I quote:

> This event (Canada's change of allegiance from the French to the British Crown) has been labelled a "transfer" by overly modest French-speaking historians, while English-speaking historians, undoubtedly more realistic and relying on military facts, called it a "conquest".
>
> For two centuries our two communities have been pursuing on our common territory the conflict of these two concepts of history. The Official Language Act is just another episode. The battle was transferred from the Plains of Abraham to the National Assembly and then to the Court of Justice: the stake is still the same . . .
>
> We are indeed going through a major turn in Canada's and Quebec's history. There are no longer any winners and losers, vanquished and conquerors, but two communities called upon by an historical accident to permanently share one part of America. Each has its own traditions and culture which it is determined to preserve. A majority here and a minority there, either of them knows the delight of power and the fear of intolerance. The only difference is that among

French-speaking people, the latter has been a longer experience while the former is still a new one almost with the appeal of the unknown.

The Hon. Jean Marchand's resignation, the responsibility which my colleague, the hon. member for Matane (Mr. De Bané), and myself have assumed in the current conflict, and on the other hand the views upheld by the hon. member for Winnipeg South (Mr. Richardson) and his supporters must be seen in the context of a situation where there is no future for this country if cultural and linguistic freedoms are not guaranteed in an intangible way.

Depending on the choice made by members of this House during the constitutional debate, we will have a measure of the will of the majority and of their belief in the rights and freedoms without which no political balance can ever be guaranteed in this country. Such is the lesson we must draw from the history of Quebec and Canada.

The dissolution of the National Assembly in Quebec and the decision to hold a general election have given me an opportunity to review the role, responsibility and manner in which I can best at this stage help in defining and safeguarding in this country's political institutions the cultural duality which is particular to our society.

At a time when within the party and the caucus to which I belong some views inconsistent with my idea of the structure of our country have been stated by a resigning minister and at a time when I believed in the Official Languages Act to the point of handing my resignation to the caucus as the result of legal proceedings instituted to obey to the letter and the spirit of the law, I cannot resign my seat in the House in the belief that I could fight more effectively outside to protect the rights and freedoms of my fellow-citizens which the federal system is to provide if such a system is to survive.

Therefore, I will not seek a seat at the Quebec legislature in the next provincial election. I would like to thank the individuals who have shown their confidence in me and who have invited me to join their ranks during this campaign. I hope however that under the present circumstances, to be able to continue to cooperate with representatives of all the parties to develop those resources of tolerance and democratic spirit without which the essence of all our freedoms will be questioned.

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I wish first of all to mention that the mover and the seconder of the Address in reply to the Speech from the Throne carried out their duties very well. Their assignment was simplified due to the fact that the Speech from the Throne for this session is rather a summary of good intentions. Unable to spend lavishly, the federal government seems mainly determined to allay fears and do away with the sources of dissatisfaction. Apparently, it is trying to sum up all the criticisms which have been directed to it especially over the past year and to appease everybody. In this period of inflation and unemployment which often reach a record high, it was normal to direct the legislation towards a more equitable sharing of responsibilities.

The main objectives may be summarized as follows: Equality of opportunities (probably the only possible form of equalitarianism), national unity, the rights of the individuals and the function of the state, which are the main themes to come out of the speech which the Governor General of Canada and his wife delivered at the opening of the Second Session. I am pleased to join with hon. members who have preceded me in this debate to offer them my best wishes. These objectives of "national unity" and "equality of opportunities" are very praiseworthy, and all Canadians certainly share these aspirations. It will be important to draft legislation taking into consideration all the elements which in the past contributed to delay the realization of this "national unity" and of this "equality of opportunity".

I think it is in order to mention here that the concern of French Canadians is to ensure in French Canada the conditions which are necessary to its survival at a time when it is ever more urbanized, increasingly transformed to become the industrial and manufacturing community it is today. They are concerned about whether there will be real sharing of power between Canadians from both linguistic collectivities in all spheres of life in our country, in the business world, in government and in the public service or whether this sharing will only be symbolic.

I am glad to note that the government puts forward programs designed to teach both official languages in all schools in Canada, in agreement with the provinces. The hon. member for Témiscamingue (Mr. Caouette) who is confined to bed in hospital, often suggested this means of understanding between Canadians of goodwill in this House. It would be advantageous to have in the provinces, both for English-speaking and French-speaking Canadian people who would like to benefit from this, French and English teaching facilities for youth at all levels and in every place where they are justified by school attendance.

• (1720)

It would also be beneficial for national unity to overcome the geographic barriers that tend to separate our two cultures by granting travel subsidies to serious artists, more generous credits to the National Film Board. From coast to coast there should be a comprehensive service of French TV and radio so that the million French Canadians living outside Quebec as every other Canadian may have access to French culture.

When there will be better understanding among people we shall be able to prevent control towers from becoming Babel towers to the point that some fanatics consider the use of French in the air as a safety hazard. It is absolutely ridiculous. The province of Quebec is not the only territory in the world where French is spoken. There have always been landings and takeoffs in several French-speaking countries such as France, Belgium, Switzerland to mention just a few. "The French aeronautical terminology is at least as rich if not richer than the American terminology in the same field." This opinion was not voiced by people in aviation but by Canada's ambassador in Paris, Mr. Gérard Pelletier.

I am pleased to see that French Canada finally dares express its feelings and the rest of the country listens, still with some surprise but more and more carefully. I wish that French voices will not become too harsh and that English ears will become really friendly so that Canada will have a bright future.

Let us not forget that very few countries have, as their official languages, those that are among the greater vehicles of though in the world. Canada can consider itself as very privileged to use, as its official languages, two of the most international languages of our time. Obviously, it is as vital for our unity that Canadians may benefit from equal opportunity for individual and regional economic development. That objective of equal opportunities constitutes a whole program and if equal opportunities are really to be given, the government will have to get used to studying the problems of poverty, unemployment, debts and strikes in a slightly more realistic light, otherwise that allusion to equal opportunities will be no more than an illusion. In March of 1975, the Canadian Welfare Council published a report on the children of the poor in Canada. Several conclusions, though they are not new, deserve to be mentioned.

Canadians love to think that in our society all children have equal chances to reach as high as their aptitudes would have them. Though they start out in life in very different circumstances we deceive ourselves into believing that all children, rich or poor, can achieve success. The facts are altogether different. To be born in poverty in Canada does not mean that one will necessarily remain poor to the end of his days, but it does make it most probable.

To be born poor means that one's chances to finish high school are reduced, that the possibility of going to university are slight. To be born poor means that changes are greater that as an adolescent one will be considered a delinquent, that one will be sent to reform school. When one is poor, the die is cast: one will have to fight to go up in life. To be born poor is unfair for a child. Of the 6.76 million children under 16 years of age in Canada at the time of the 1971 census, 1.66 million were poor. That report describes those children. What kind of life do they have today? What can they hope for the future? How does one grow up deprived of food, toys, clothes and outings? How does one grow up branded by poverty?

It is important that we Canadians understand the effects of an unfair distribution of the national income on the unfortunate people who live below the poverty level. It is no less important to understand that the numerous hardships suffered by poor children can be removed. There is no reason for children to grow up in poverty in Canada, for there is no reason for poverty to exist in Canada.

Census data show there is a large number of children living in poverty in every Canadian province. The greater percentage is found in Newfoundland where nearly half the children (45.3 per cent) come from families who live below the poverty level. More than a third of the children in Saskatchewan (38.4 per cent), Prince Edward Island (37.3) and New Brunswick (34.9 per cent) are also living in poverty. Even in the rich provinces of Ontario and British Columbia, with the lowest percentages, more than one out of six children come from families who live below the poverty level.

The chains of poverty which shackle poor children are the result of a long process which often starts even before they are born. A working paper on health prepared by the Canadian government in 1974, says at the outset: Health is the bedrock on which social progress is built. It may be true, but health and poverty seldom go together. As regards poor children, it would have been more relevant to point out that their future prospects are jeopardized because of their bad health.

You know very well that I could quote excerpts from a number of reports on poverty in Canada. I mentioned the report on poor children to show that there is much to do if we really want all Canadians to enjoy those equal opportunities mentioned in the speech from the throne. However, a part of the speech, held my attention, the one dealing with the assistance to small businesses. The area which I represent includes many family businesses which cannot expand normally for lack of funds to develop and update their equipment. Nevertheless, there is a supply of manpower made up of strong and vigourous young men of whom nearly 30 per cent are paralysed by chronic unemployment and who would much rather improve their standard of living and enrich at the same time with manufactured products or any other economic contribution the province of Quebec and Canada as a whole.

I did note also in this same speech that a job creation program is considered for the areas affected by chronic unemployment. I should point out that the Minister of Manpower and Immigration (Mr. Cullen) missed a fine opportunity to help the unemployed by providing under the 1976-77 LIP program enough money for the approval of more projects. Last year, in the riding of Kamouraska-L'Islet, an amount of $1,090,000 was appropriated by the Department of Manpower and Immigration, which enabled the members of the project selection committee to make it possible for a large number of workers to earn enough money to support their families, while carrying out useful community projects. This year, the amount appropriated is cut down to $427,000. It is easy to understand that the number of unemployed who want to do this type of work will be greatly reduced. This is a good opportunity to add that there will not be any equal opportunities for the large number of unemployed in our region.

I also find there will be an information centre on collective bargaining. I hope the legislation will be amended so as to prevent an increase in the number of disastrous strikes that are prevalent nowadays. The last statistical report on strikes indicates that there were 238 work stoppages affecting 190,197 workers. It is time the government decided to amend the legislation to encourage the workers and prevent the economic disruptions resulting from strikes. Generally speaking, strikes are directed against those who pay workers a salary rather than against the system which deprives them of normal living conditions.

● (1730)

Economically speaking, labour unions seek salary increases and shorter working hours, but the cost of living goes up, nobody is much better off and the real losers are the pensioners, the underprivileged and other people on fixed incomes. Excessive salaries can even cause unemployment because businesses will have to cut their staff in order to maintain labour costs at a reasonable level. Between inflation and unemployment the governments of western countries never really had an option nor have they found a way to cope with that dilemma.

I was surprised to see that the speech from the throne did not mention improvements to the tough working conditions of a very large number of farmers, particularly milk producers. My colleague for Bellechasse (Mr. Lambert) mentioned in the House last Thursday, October 14, the depressing situation in which a great number of milk producers, of whom several are unfortunately headed for bankruptcy, find themselves. Production quotas were reduced and farm incomes were cut by more than 20 per cent while costs are still going up. The hon. member for Papineau (Mr. Ouellet) last Friday call the attention of the House to the causes of the hardships of milk producers, adding that the federal government was not the only one responsible—and I think he is right—but also many representatives of milk federations, and I would like to quote from that interesting speech as follows:

> Provincial authorities and dairy boards must recognize their shortcomings and more particularly those who represent the milk producers on the various agricultural boards and agencies. The fact is that a number of these representatives, Mr. Speaker, were representing whole milk producers, which form an industry which is far richer far sounder and much better organized and which emphasized, in terms of quotas and subsidies, the benefits and interests of whole milk producers, and did so unfortunately at the expense of industrial milk producers.

And he added:

> I believe that, in the interest of our dairy industry as a whole, we will have to give guarantees to all producers as well as the assurance that the past benefits they gained will be maintained. And by this I mean to say that I believe it to be vital for the federal government to take the appropriate action to give back to some dairy producers the quotas that they lost in the last few months and to reinstate them in the position that they held with respect to their production level of 1974-75.

I agree with the hon. member for Papineau and I hope that the government will try to find a satisfactory solution to that very complex problem.

In an article about the food crisis, I read about the fact that the scarcity of some products is due to so-called production planning and organization on the part of the government. Who benefits from such measures? I quote that article:

> On the pretext that certain wheat stocks had not been sold in 1970-71, the government paid a subsidy of $6 an acre to western producers to make them stop growing wheat. Stocks were quickly exhausted and speculators had a field day. It is indeed from this moment on that consumer prices started to increase. We have only to remember that at that time bread cost 24 cents.
>
> The meat price control ordered by Nixon administration is another obvious case of scarcity caused by so-called production organisation government action.
>
> Since this control did not apply to the prices of products involved in the production of meat, the price of raw materials went up while the price of their product was frozen—several farmers found it less unprofitable to kill all young chickens, to sell their sows while they were expecting a litter and to get rid of their young calves. The same phenomenon happened in Quebec in the fall of 1974!
>
> This price freeze provoked a scarcity of meat in the following months, especially beef.

If we consider how the price of a gallon of regular gas is split up, we note that one of the main reasons for the price increase has been federal and provincial taxes, since 31 cents out of the price of every gallon go to the federal government, 19 cents to the provincial government, 27 cents to the oil companies and 7 cents to the gas station operator. It is easy to conclude that the true oil sheiks are in Canada rather than in Arabia.

It is easy to see that the multiplication of all sorts of taxes in a corrupt financial system is one of the main causes of price increases. I hope that during this session, the government will prevent legislation aimed at getting back some order in the financial and fiscal systems.

[*English*]

Mr. Alan Martin (Scarborough West): Mr. Speaker, I would like to spend some time this afternoon discussing certain aspects from the four main captions under which His Excellency the Governor General outlined the program of the government for the second session of our Thirtieth Parliament. These are national unity, equality of opportunity, individual freedom, and the role of government.

First let us talk about national unity. This is a term that undoubtedly means different things to different people. For my part I intend only to discuss my understanding of what it is all about and the degree of importance that I see should be attached to the term.

The people who have inhabited that area of the North American continent that lies north of the forty-eighth parallel made a series of independent decisions over the course of the past 100 years or so that have had the effect of pulling together, in the process fabricating a nation that has become known as Canada. The first of these decisions was carried out in 1867 when Ontario, Quebec, New Brunswick and Nova Scotia laid the initial cornerstone of the new country. The most recent decision was taken in 1949 when the province of Newfoundland came on board.

These individual decisions were not made as a result of victory or capitulation following the devastation of a war, but were made freely by the elected representatives of the people who inhabited the various semi-independent areas of this northern half of the continent.

The desire to unite was prompted, presumably, by the hope of greater ultimate benefit to be gained from the new potential that would be available through the mechanism of some form of national identity. At the same time unification was seen as a means of seeking a much needed degree of some protection through the close association of friendly and to some extent like minded neighbours for those aspects of their individual way of life that the inhabitants of each area most cherished.

In simple terms, I see that as the background of this nation, a genuine desire to forge something strong and meaningful yet

something essentially different and distinct from the other great nation established 100 years earlier on the same continent.

In my view, the term national unity in Canada must be looked at in the context of what brought us together in the first place. National unity to Canadians may indeed be something different from what it may mean in the context of the United States of America and the citizens of that country or, indeed, the United Kingdom and its citizens, or even of other larger and more distant countries such as the U.S.S.R. and India.

National unity to me means first a national identity with which we are all proud and honoured to be associated as citizens and are also prepared to defend when and where necessary. Second, a national identity promotes and encourages diversification among its peoples in all aspects of their lives. After all, Canada and diversification must be synonymous simply by virtue of our vast geography, if for no other reason, spread as it is over the second largest land mass on the planet. Third, a national identity denotes a country where respect and privilege are accorded all its citizens in line with the understandings that have been incorporated into the very fabric of the nation. I speak specifically here to the issue of the two official Canadian languages, a basic tenet of our Canadian heritage and culture since the birth of the nation in 1867, and long before, a fabric which was reinforced at more recent date by the agreement of all political parties in the House of Commons through the passage of the Official Languages Act, an act which ensures the ability of Canadians of either official language group to be able to interact with their national government in either of the two official languages, an act which, I repeat, was passed and agreed to by all members of the House of Commons regardless of political persuasion—

• (1740)

An hon. Member: Not by all members.

Mr. Martin: —an act introduced by a Liberal government to reinforce, 100 years after the birth of the nation, a basic provision of Canadian confederation.

The fabric of all great nations is tested from time to time. I could not help being impressed earlier this month during a brief visit to the city of Winchester in England, the original capital of that great land for a period of several hundred years until, I believe, the move was made to London some time in the thirteenth century. Wandering around the city I came across a very large statue of King Alfred, erected by the people of Winchester in 1901 to commemorate "1,000 years since the birth of the nation." My mind could not but reflect momentarily on the tremendous upheavals and accompanying difficulties of all sorts, including major internal and external wars which have faced and which still face the people of the United Kingdom. Yet the basic fabric has, somehow or other, held together, not for 100 years but for 1,000 years; ten times as long. It is interesting to note the strong but at times tenuous form of national unity which is depicted in the long history of that great country.

[Mr. Martin.]

On the other hand, there is a country like India, a country I was privileged to visit one year ago as a member of our Commonwealth parliamentary delegation. In terms of its nationhood, India is barely a quarter of a century old. The pressures of diversity, highlighted in such areas as language—there are some 17 official languages—geography, culture, and religion in this young nation are so great, and are coming so early and at such a furious pace as to threaten the very ability of the country even to develop a fabric which could be termed national unity. Yet a sense of unity does prevail in India even during the present troubled times.

Yes, Mr. Speaker, the fabrics of great nations have always been tested and will, I suggest, continue to be tested many times over in the future. Look at China at this very moment. Look at our great and respected neighbour to the south, the United States of America, which just two years ago was at the height of Watergate. Some say the Canadian fabric is being tested today, and perhaps this is so. I somehow doubt, however, that the rulers of India, the United Kingdom, or even of China would have much sympathy for our problem, if indeed it is serious enough to be called that in terms of the world-wide context of national internal problems.

If we do have a problem in relation to national unity in this country, what is it? The answer to that question would, I suggest, elicit various responses from individual Canadians ranging from a complete disclaimer as to the existence of any real problem whatsoever to the exaggerated and overly excited claim that the nation is about to fall apart.

Some western Canadians claim that Canadians living in central Canada, that is to say, Ontario and Quebec, do not understand or care about them; some central Canadians feel that western Canadians with their vast supplies of much needed energy resources lack an adequate degree of nationalist fervour in their handling of such resources; some Ontario Canadians wonder why other Canadians do not go along with their particular way of thinking and living; some Quebec Canadians cannot understand the inability of other Canadians to understand their particular problems and aspirations more fully in such areas as language and culture. Finally, some maritime Canadians long for a way to share a larger portion of the Canadian economic pie without at the same time disturbing their more genteel and unhurried way of life.

Incorporated in the problem faced by Quebec Canadians is the matter of language. Whether or not this is the most serious problem which faces us in the context of the testing of our national fabric being made at this time, I really cannot say. Certainly the matter of language rights is perceived by many Canadians of both language groups as being serious at this time. Indeed I suppose one could argue that it was the underlying factor in the by-election upset in the nation's capital yesterday. Some people seem to be fearful that their rights are being eroded; others seem concerned that their particular rights have never been adequately acknowledged and are thus effectively non-exercisable.

If language rights in this great country are really a problem, we should be so lucky, first that we are dealing only with two

official languages and, second, that such a golden opportunity is provided through our nation's fabric for developing a comprehension and understanding of two different cultures rather than insulating ourselves behind the closed doors of a single culture and tongue. Our task as Canadians has always been, and remains today, to take up the challenge and make the most of it. For 100 years we have pussy-footed around the education of Canadian children with respect to coming anywhere near an adequate level of teaching a proper comprehension of both official languages. As a nation we have hidden behind the provincial prerogative to determine what will and will not be taught our youngsters in all areas, including that of the two national languages.

Ten years ago we found ourselves in the ridiculous position of having to embark on a necessary but costly program simply to ensure that Canadians occupying key positions in the nation's public service would be able to converse adequately with other Canadians whom they are appointed to serve. And this was the situation almost exactly 100 years after the formation of the nation.

I am delighted to see reference in this Speech from the Throne to something which many of us have felt to be an urgent need for a long period of time—it was a fundamental part of my maiden address to the House some two years ago. I refer to the intent to use national persuasion to encourage the provinces to give greater and more adequate attention in future educational programs to the teaching of the two official Canadian languages and the historical and cultural backgrounds which support them. Only in this way can we get at the guts of the issue and avoid similar discussions 100 years hence.

If language rights and usage are indeed impediments which are affecting the fabric and national unity of our country at this time, then I suggest the present government and the present Prime Minister (Mr. Trudeau) are in a far better position to implement modifications in existing programs and to draw up new and more effective programs than would be a government under a Conservative banner which has had little experience and even less success in this century in dealing with this sensitive issue as a government in power, particularly since it does not include in its base any meaningful representation in terms of members from the 28 per cent of the Canadian population which is most deeply concerned.

● (1750)

I wish to express one last point on this matter of national unity. Regardless of our various interpretations of the term and just what it means to each one of us, I think most Canadians would agree that it continues to be an objective towards which we must strive relentlessly, at times experiencing setbacks of one form or another, as has been the experience of all great nations, but always possessing a sense of determination and perseverance that will make us the pride—not only of our own citizens—but also of those who even today watch us with such envy from various corners of the world. In my view we must mature in our sense of understanding of our fellow citizens, whether or not we share the same street, the same colour, the same religion, or the same one of our two official tongues.

Next, Mr. Speaker, I would like to speak briefly on the second topic covered in the throne speech, that of equality of opportunity. A number of important thrusts have been indicated by the government in order to promote individual and regional economic opportunities. The first of these is to continue the program to bring the rate of inflation in Canada under control. I find it a completely unproductive exercise in October, 1976, to argue whether or not controls should have been introduced, and whether or not the Liberal or Conservative timing would have been the more appropriate. The essential point is that the rate of inflation in Canada has come down dramatically in the past 12 months and has exceeded the government's target for this first year of controls. I happen to share the opinion that this dramatic fall would not have occurred without specific government action this time last year.

I suggest that the vast majority of Canadian electors are supportive of government action taken one year ago to control the devastating effect of the inflationary curse that was prevalent across the country. Yes, some Canadians have felt the brunt more than others; there has been some inequality in the manner in which the burden has fallen. However, by and large, the Canadian people—as distinct from some national organizations with vested interests—look upon this example of government leadership with a sense of relief and general support. Something indeed had to be done or no equality of opportunity could possibly have existed for Canadians, and the entire economic future of the country would have become seriously endangered.

The opposition of the Conservative party to the controls program at a crucial time in the economic history of the country, after having advocated controls some 14 months earlier when the situation was far less serious, is indeed strange behaviour by a group of elected representatives who wish within the next two years to hold themselves out to Canadian electors as a viable alternative to the present government. No degree of double talk or fence shifting by the Leader of the Opposition (Mr. Clark) will get him or his party off that hook.

Some other specific thrusts in the throne speech include a welcome commitment to bring growth in the public service down below one per cent per annum from an annual rate of some 4 per cent over the recent 10 year period. Additional support is indicated for private industry in meeting increasingly tough international competition. Small business growth will be promoted. Job creation programs will be reviewed in order to provide more meaningful assistance in areas of chronically high unemployment. Improvements will be sought in labour-management relations. The Canada Pension Plan will be expanded to recognize more fully the working partner whose energies are devoted to the home. The goal of one million new homes over a four year period will be maintained as basic housing policy.

In the area of individual freedom one aspect where I would have liked to see more attention is in the justice system. At the present time I feel that there is much too long a period between the time of apprehension of an accused and the commencement of the trial process. This works to the detriment of the Crown and society in cases where otherwise guilty persons go free, and also to the detriment of the innocent person who has an unwarranted charge hanging over his or her head for too long. Furthermore, I would encourage the government to consider policies that would render more concern for and assistance to the victims of crime and their immediate families.

I welcome the likely introduction of a bill to bring the duties and responsibilities of the Auditor General more in line with the needs of an organization now spending in the area of $40 billion per annum. In the area of adequacy of financial controls over government expenditures, I would urge implementation of the recommendation which came last year from the Auditor General for the creation of the position of chief financial officer within the public service.

I support the increasing trend toward making more government documents available to the public, and I look forward to the introduction of a human rights bill at the federal level. I believe a move to enable broadcasting of the proceedings in the House of Commons to take place would be most definitely in the public interest, whether or not many Canadians were to avail themselves of the opportunity to participate in our proceedings as spectators in their own living rooms.

Finally, Mr. Speaker, I would like to say a few words on the role of government in Canadian society. I tend to agree completely with the government's proposal to follow a middle road in this area between two extremes. Certainly a review of the United Kingdom situation today, where one recent media estimate placed the share of Gross National Product being directed to government at 60 per cent, is a clear indication of how far not to go. In our own case all levels of government in Canada are accounting for some 43 per cent of the Gross National Product, with the federal share at about 20 per cent. It is my opinion that all levels of government must collectively remain below the 50 per cent level in order not to discourage further new and innovative entrepreneurial activities. Consultations with provincial governments should include discussions designed to ensure that over-all government participation in the Canadian economy does not exceed a predetermined share of the Gross National Product over the long term.

In closing, Mr. Speaker, I would like to speak a few words on the subject of leadership. Some Canadians express the view that there is little or no leadership being exhibited on the federal scene at this time. My only response is to ask these same Canadians to review the achievements of the government over the past two years, to examine the specific proposals contained in this throne speech, and to consider whether or not the state of the economy today would have been in as stable a condition as it is without the kind of leadership that has been so clearly demonstrated by this government and by this Prime Minister.

On the other side of the coin, Mr. Speaker, we have a group of elected representatives occupying the role of official opposition who are so devoid of policy and purpose that they sent their recent candidate out on the hustings with the message, "Simply elect me and watch some policy evolve over the next few years". It may have worked yesterday in Ottawa-Carleton in a by-election. However, it will never work in the next federal election when Canadians will want to look with a critical eye on those policies being placed before them by a party that is seeking their majority support as against the proven record of the government party in power.

I suggest, Mr. Speaker, that the continuation of strong and responsive government over the next two years under the capable leadership of the Prime Minister will ensure his and our return with perhaps even a larger mandate for the Thirty-first Parliament. A viable alternative will simply not be available if the existing situation across the floor of this House is any indication. The memory rests long in the minds of Canadians of the last time the nation gambled; I refer to the period 1957-63. They are not likely to risk a similar move again unless we on our side drop the national ball completely—a most unlikely development in my view. May I call it six o'clock?

Mr. Deputy Speaker: Order. It being six o'clock I do now leave the chair until eight o'clock tonight.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like at first to take this opportunity to greet a personality who is a very close friend of mine. We have the pleasure of having in the gallery this evening the young and dynamic mayor of my parish of Crabtree whom I would like to greet at the beginning of my comments. He is a nice guy, Joe!

Mr. Guay (St. Boniface): I have no doubt.

Mr. La Salle: He is surely one of the best, Mr. Speaker, surely one of the best.

An hon. Member: The best.

Mr. La Salle: Mr. Speaker, I would like to make some comments on the throne speech. I know that as usual it is a well meant statement. Since 1968, I have heard several throne speeches, but somehow I have the impression that it is one of the last such speeches presented by this government. That is indeed what some people have been saying today.

I noticed in the Speech from the Throne a word about consultation on matters related to inflation controls. I also noticed that funds would be made available for day care

centres, that greater efforts would be made to help the small, average and large farming business. However, there is something that greatly concerns us, I shall come back to that later. Amateur sport will benefit from new funds. I have a lot to say on this issue. There is also mention of good intentions on the part of the government concerning improvements to be made in the areas of unemployment insurance, immigration, external affairs and finally, constitutional independence.

I said a while ago, that since 1968, I carefully read and listened to speeches made in this House. I will not allow myself to be too critical of the throne speech since it is a book of intentions and I prefer to wait for the actual proposals that will be made by ministers.

● (2010)

In my own riding as everywhere, Mr. Speaker, people are concerned over the pitiful economic performance of the government. They talk about unemployment, inflation, confrontation, arrogance and the dairy industry which is having a very rough time at the moment. So, as I have said, in my circumscription and elsewhere throughout the country, people are worried and disappointed and no valid solution seems to be in sight.

During the last cabinet shuffle, attention was given to amateur sport and physical fitness, and a minister of state was appointed. I would have welcomed the opportunity to congratulate her and wish her the best of luck in her new mandate, considering her pleasant personality as official critic in amateur sport. I must admit I am looking forward to having excellent relations with her.

Mr. Guay (St. Boniface): Beware!

Mr. La Salle: I am aware and carefully measure my words!

May I add that I was very pleased to hear that statement: the appointment of a Minister of State for Fitness and Amateur Sport. As a matter of fact, I had made such a recommendation three years ago and later on asked the right hon. Prime Minister (Mr. Trudeau) a number of questions on the importance of creating such a department. I am therefore very glad that the Prime Minister saw fit to adopt these recommendations. He was certainly a little long in taking this decision, but what is done is done, and I am glad a minister of state has been appointed. Of course, I should have preferred the creation of a full-size department with a budget and all what this implies. This is nevertheless a first step in an area which is becoming increasingly more important in our society.

It is stated somewhere in the Speech from the Throne that in the aftermath of the highly successfull Montreal Olympics, and the gratifying results achieved by Canadian athletes, federal support for selected amateur sport and fitness programs will be further augmented. But what does this mean exactly? We shall certainly have the opportunity to obtain more complete information from the minister. In fact, I could never hide from you my interest in physical fitness and amateur sports, in view of the sort of life we are living today: shorter work week, longer vacations or more holidays, it is obvious that the people of Canada need healthy recreation. If we make a more in-depth study of some countries that went even further than we did it is also obvious that we were right two years ago to include in our electoral program the creation of a ministry of physical fitness and amateur sport. As recently as two years ago we committed ourselves to this and I can ensure Canadians that with the advent of a Progressive Conservative government, we will establish a national policy for physical fitness and amateur sport.

An hon. Member: It has been done already.

Mr. La Salle: If it has been done, precious little has transpired so far. I agree to give the benefit of the doubt to the minister of state involved and I hope that during the weekend she will have the opportunity to spell out her objectives. In any case I think it is urgent now to establish a real national policy for physical fitness and amateur sport. The responsibility of a responsible government is to establish a policy enabling every Canadian to practice a sport according to his taste and talents. The government should not be expected to steer Canadians towards any form of sports but should offer them the opportunity to practice the sport of their choice.

But to do so, we must first undertake a study of our institutions and facilities while keeping in mind the legal aspects of what comes under provincial jurisdiction. I remember that in answer to some questions I had put to the Minister of National Health and Welfare (Mr. Lalonde) I was always told that it came under provincial jurisdiction. To implement such a policy I think that both the study of our present facilities and the motivation of the people concerning the access to a form of sports make us believe that there are provincial jurisdictions and that we should not interfere.

So if we pretend to be serious about a national policy, we must immediately consider—I hope the government will not hesitate to do so—convening a federal-provincial conference at that level and urge the provinces to attend. I suppose we could reach an acceptable consensus and then gather the provinces and make them aware that we expect full cooperation and generous assistance from them.

● (2020)

We know that a genuine national amateur sport policy must first be set at the primary level of our school, and we know that those schools fall under the jurisdiction of provincial departments of education. And to encourage, attract and interest the provinces, funds would have to be found to launch such a policy. The need does exist. Canadians are behind in the area of physical fitness.

If a healthy nation is a happy nation, we have a lot to do, and I dare hope that the government will not be content with reminding us that it spent a few additional million dollars during the Olympic games. Given the enthusiasm we saw last summer, the motivation we experienced in the past few years because of the Olympic games in Montreal, we must not stop there. And if we consider the marked interest that we wit-

nessed last summer, we are already looking forward to Canada's participation in the 1980 Moscow games.

So we must prepare for it. We must use existing facilities to the maximum. And I think we could consider some sort of very special training in 1979 to prepare Canadian athletes for an absolutely exceptional Canadian representation in Moscow. All that is part of a strategy, of course, but first we need to implement that national policy here through this government and in Parliament. I now come back to the importance of cooperating, negotiating, consulting with the provinces and defining together what kind of policy could be implemented to use all our facilities to the maximum and secure the agreement of the provinces on the renewed interest which this government would like us to believe exists.

So on that I say once again, Mr. Speaker, how satisfied I am to see that they finally understood the importance of putting a person in charge. Not knowing what the funds will be, it is difficult to further commend the government but in the light of the statements that the minister responsible will want to make, I want to say to the House that they can count on our cooperation with respect to the setting up of a genuine amateur sport and physical fitness policy.

We know perfectly well that better physical fitness for Canadians means fewer sleeping pills, and I think we understand more and more the importance of physical fitness. There is no limit agewise, and I think Canadians, both young and old, would be very anxious to benefit from a well conceived policy which respects, as I said, the provincial jurisdiction over recreational activities planning. But for once, we will be asked to vote for credits for the provinces which have expressed their intent to do something in this field, and I would think that the federal government, if they really mean something when they talk about a real policy, will also be generous when the moment comes to give the needed credits to meet the needs of a society like ours today.

So on this matter, Mr. Speaker, I will limit myself to those few remarks to assure the government that we the members in the official opposition are prepared to act objectively and to be very positive on a matter of such vital interest as is physical fitness for Canadians as a whole.

Mr. Speaker, I cannot help making some comments on the agricultural situation. Numerous farmers live in my riding and, following the dreadful effects of the dairy policy announced last April, again I have to return to the charge. I do not remember how many times I raised questions on this matter, how many times my colleague the official critic did, but we are still waiting for the government's answer; the situation has been unbearable since last spring. Last week I asked questions to the minister and to the Prime Minister. Their negative answers make me believe that the government does not intend to help, for the moment, a particular category of citizens, namely milk producers.

Mr. Roy (Laval): It was done this afternoon.

Mr. La Salle: The hon. member for Laval said that it was done this afternoon. I hope that tomorrow's newspapers will bear good news for milk producers. And I look at my friends opposite who come from Quebec and who are all smiles this evening. I imagine the minister announced something very important.

I was not in the House this afternoon, because I had to attend other meetings; nonetheless I must say that this government let our milk producers suffer for too long. They put them in a situation bordering disaster. Unless this piece of news the hon. member for Laval (Mr. Roy) gives me willingly is a short-term remedy, I do not know what the minister said this afternoon, and for that reason, I must deeply regret the failure of the government to act in this direction and to recognize that the situation has become unbearable for milk producers throughout Canada, and I hold the government responsible for that policy of reducing a production they encouraged three years ago.

Finally, I understand that the hon. member for Frontenac (Mr. Corriveau) does not want to hear anything about it anymore. He made himself enough representations and got so many negative answers that he must not feel like raising the matter again. But all the same, on behalf of the milk producers of my riding and of all Canadian milk producers, I must implore the government to be more humane than it has been up to now. I venture to think that we will get some answers on this matter, and if the government continues to implement the policy it put forward, it will be a real disaster for an entire group of Canadians and it will cause the disappearance of one of our main agricultural industries.

Mr. Speaker,—

An hon. Member: What is your policy?

Mr. La Salle: What did you say?

The policy is to remove immediately the penalty imposed upon the milk producers and to remove immediately the levy on milk powder exports. Both measures have burdened our dairy producers, and I think the hon. member who is asking me this question knows it. I know that members of the Liberal party have made representations to the government which turned a deaf ear.

I must say it again, I must call for a short-term solution, and I think that the hon. member for Laval agrees with me. But like many others, he could not get a positive answer from his own government, and I have every reason to say that this government is responsible for the present situation, for the present disaster and for the unbearable situation of our dairy farmers. I will restrict myself, Mr. Speaker, to saying the simple truth in this House. I know that my time is running out.

Mr. Roy (Laval): Would the hon. member for Joliette allow me a question?

[*English*]

The Acting Speaker (Mr. Turner): Will the hon. member for Joliette (Mr. La Salle) accept a question at this time?

[*Translation*]

Mr. La Salle: Mr. Speaker, I don't want to lose any of my time; so, if the hon. member for Laval wishes to ask me a question when I am through speaking, I shall be pleased to answer him then.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Joliette has the floor.

[*Translation*]

Mr. La Salle: I say now that I shall be pleased to answer any question anyone wants to put to me then.

[*English*]

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Joliette has the floor and I would suggest we listen to him.

[*Translation*]

Mr. La Salle: To my mind, Mr. Speaker, at this point in time, it will not be difficult to answer my friends across the way because we have asked for answers for a long time now without getting them.

I shall now speak of a most important matter, Mr. Speaker, that of bilingualism. My colleague from Saint-Hyacinthe (Mr. Wagner) made a brilliant speech last Friday. Should I remind some of my colleagues in this House to read again the important speech he made and his rebuttal? It answers fully the question of bilingualism. So, I have no wish to take up any of the time allotted me to repeat the remarks, which were very much to the point, made in this House by a very competent man.

But I should not want to close my remarks without asking my friends opposite who seem to want to put questions to me and who wonder today: How come two by-elections were in our favour last night?

I cannot help repeating the criticisms levelled at the government in my constituency. In 1974, when the government went to the people and tried to make us look ridiculous because we favoured price controls in an attempt to check inflation, the leader of the government before us today promised that they would never resort to such a policy.

Mr. Speaker, I say today that this government was elected in 1974 under false pretences. I say, Mr. Speaker, that if the people of Canada have now lost confidence in the government, it is because they blame it, with good reason, for having deceived them. You cannot deceive a people and deceive businessmen as the government did, and you cannot deceive labour as the government did in 1974. Today, Canadians are starting to wonder. I know that my friends opposite are asking themselves some questions today. They are unhappy and I understand them. When a government makes such a promise in order to get elected and makes an unacceptable reversal six or seven months later, the Canadian people know what is going on. What we have witnessed last night, Mr. Speaker, will be repeated throughout the country, because the Canadian people did not like being deceived in this way. For these reasons, Mr. Speaker, the government has lost the confidence of the people, it is losing a minister every three months, and it is losing every by-election. I say to this government that if it holds by-elections, we shall defeat them one by one each month. They should stop asking: What is happening to us? They should stop trying to review a particular policy and to make believe that the lack of popularity of this government is due to some division in the country on the bilingualism issue. The terrible economic performance of this government and the fraud of 1974 are the two causes of its lack of popularity, and I think that the public did the right thing last night in the Ottawa-Carleton consitituency, as well as in the riding of St. John's, Newfoundland, and, a year ago, in the riding of Hochelaga, which was an uncontested Liberal stronghold at the time; this drop in popularity started a year ago and we expect this government to have enough of a sense of honour to resign. We are ready to face the challenge of running Canada properly.

Mr. Roy (Laval): May I ask a question, Mr. Speaker?

• (2030)

[*English*]

The Acting Speaker (Mr. Turner): Will the hon. member for Joliette now accept the question from the hon. member for Laval (Mr. Roy)?

[*Translation*]

Mr. La Salle: Certainly, Mr. Speaker.

Mr. Roy (Laval): Mr. Speaker, if the hon. member for Joliette would allow me a question regarding the elimination of that levy, I would ask him how he would dispose of milk powder surpluses which are now piling up in warehouses?

Mr. La Salle: I am pleased to answer such a question, Mr. Speaker. The hon. member is asking me how milk powder surpluses would be stored. If the hon. member for Laval would consider what happened, he would recognize that his government was too weak to compete with the European Community, and in order to secure new markets for all kinds of products, the European Community was allowed to subsidize their producers on the European side to force our dairy producers to pay for storage and milk powder. We never accepted that, and this government, in order to save the dairy industry, must store these stocks and develop a long term policy for a period of three to five years because it is unthinkable to develop short term policies in this area. Therefore, had the government taken their responsibilities, they would never have applied to dairy producers the milk powder export levy. They would have acted as the Americans did five years ago. They would have supported dairy producers and we would now have a healthy dairy industry. Again, I blame the government in this regard.

[*English*]

The Acting Speaker (Mr. Turner): The hon. member for Trinity (Miss Nicholson).

Mr. Saltsman: I rise on a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Turner): The hon. member for Waterloo-Cambridge (Mr. Saltsman).

Mr. Saltsman: Mr. Speaker, under the rules of the House which state that a question of privilege should be raised at the earliest opportunity I should like to raise a question of privilege particularly now that the Minister of Consumer and Corporate Affairs (Mr. Abbott) is in the House. My question is in regard to the debate that took place this afternoon in which the minister intervened and took some exception to my pointing out that it was Hercules who cleaned out the Augean stables. He insisted that it was Ulysses. I have had a chance to check Greek mythology since that interjection. The records show that I was correct and that the minister's knowledge of Greek mythology is somewhat deficient.

Mr. Abbott: Mr. Speaker, on the question of privilege—

The Acting Speaker (Mr. Turner): Order, please. Standing Order 17 states:

(1) Whenever any matter of privilege arises, it shall be taken into consideration immediately or at a time appointed by Mr. Speaker.

The hon. member for Trinity.

Mr. Flynn: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Turner): The hon. member for Kitchener (Mr. Flynn) on a question of privilege.

Mr. Flynn: Mr. Speaker, this is the time to bring up a question of privilege. The hon. member for Waterloo-Cambridge (Mr. Saltsman) raised his question of privilege which you heard and you were correct in that. I should like now to hear the minister's rebuttal.

The Acting Speaker (Mr. Turner): Order, please. That is not a question of privilege. The hon. member for Trinity.

Mr. Paproski: Mr. Speaker, if there are any more interruptions I think the time should come off the Liberal side.

The Acting Speaker (Mr. Turner): Order, please. That is not a question of privilege. The hon. member for Trinity.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Trinity has the floor.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in joining in the debate on the Speech from the Throne I should like to limit my remarks to issues directly concerning the labour force.

For most families the single highest expense concerned with being employed is the cost of child care. This was recognized in the last budget when income tax deductions for the cost of child care were doubled. The announcement in the Speech from the Throne that the government will help provide more day care services by encouraging provincial governments to adopt a new system of income related fees carries this thrust further and is an important step in adapting to the changes in Canada's labour force.

From 1971 to 1974 the number of day care centres in Canada doubled and the number of spaces in centres more than tripled. Nevertheless, in 1974, fewer than 3 per cent of the children of working parents under three years of age, and fewer than 9 per cent of the children between the ages of three and five, attended day care centres. Alternative types of care, such as matching the school hours of children with the working hours of one or both parents, relying on another adult member of the household, or the brothers or sisters, or neighbour or friends, or leaving school-age children alone after school—are estimated to provide for about four fifths of the care of children of working mothers. While some of these arrangements are undoubtedly adequate and may even be preferable to paid care, there is no doubt that there are many parents who would choose a professional day care service if it were available and affordable.

The measures proposed by the government to increase the availability of partially subsidized professional day care will also give parents more choices and options in the care of their children.

The measures announced in the throne speech and described yesterday by the Minister of Labour (Mr. Munro) to improve labour management relations and industrial safety, are urgently needed. Canadians are very concerned, and rightly so, about the loss of productivity due to strikes. What is not generally realized is that more work days are lost as a result of industrial injuries than strikes. Canadians concerned about productivity, and particularly about our competitive position in world markets, generally think in terms of time lost from work stoppages due to strikes and lockouts. Certainly these figures give cause for concern, 1,183,080 days lost in June according to labour Canada's recent report, or 62 man days per 10,000 days' work. It is important to find ways of ensuring peace in the life of a labour contract as well as more effective ways of negotiating contracts, but it is also important to keep in perspective that time lost because of industrial injuries still exceeds time lost because of strikes and lockouts.

● (2040)

The proposed collective bargaining information centre with its emphasis on providing clear, useful information, in the context of the state of the economy, including comparisons with other countries, particularly Canada's major trading partners, should go far to remove one very basic cause of conflict between labour and management. It is natural that labour and management will have different views on dividing up the pie, but now there is often disagreement on the size of the pie, with labour and management each bringing in different figures and neither believing nor accepting the other party's figures. If at least there is agreement on what is possible, there is a more appropriate base for negotiation.

The causes for industrial conflicts, strikes, and lockouts are usually complex; wage demands are seldom the only issue. Questions of general working conditions and unsolved griev-

ances are often extremely important and may in fact be the more serious underlying cause of a dispute apparently about wages. It has been a great disappointment to me that, since controls were introduced, labour did not make more use of the opportunity to bargain over non-monetary issues. One Canadian survey of employee job satisfaction in 1968 reported that nearly 20 per cent of those surveyed expressed low job satisfaction for reasons connected with pay or advancement, but nearly 30 per cent expressed low job satisfaction for reasons such as recognition, use of skills, etc.

Inflation certainly introduced new tensions into labour-management relations. There has been a trend toward contracts of shorter duration; there have also been more instances where union members refused to ratify contracts negotiated at the bargaining table. As inflation is brought under control, and as people begin to have more confidence in the economy, these problems should be reduced.

Compared with other industrialized countries the number of strikes in Canada and the percentage of workers involved is not high, but the length of time needed to settle conflicts is excessive. When measured by the average number of working days lost per worker, the figure is over 17 days during the 1968 to 1972 period, or more than triple the time lost in some western countries.

One factor in labour unrest seems to be the extraordinary duration of negotiations. Of major negotiations in the past few years, only 15 per cent were settled within three months and 20 per cent required closer to one year of negotiations before settlement was reached. The duration of negotiations would be less of an irritant if settlements were achieved close to the expiry date of the previous contract—in fact opening negotiations at an early date often eases the situation by allowing issues to be resolved in a calm, orderly way. But the tendency toward protracted negotiations long after a contract has expired understandably creates frustrations and often contributes to the bitterness of disputes. The measures announced by the Minister of Labour last night to improve arbitration services and improve training for conciliators and mediators may be important measures in restoring labour peace.

Some of the conflicts we have seen in recent years have occurred in situations where collective bargaining is relatively new and where the parties lack experience. The proposals for labour education may help reduce the problems inherent in this kind of situation.

But, important though it is to improve the collective bargaining process, we still have to deal with the fact that far more days are lost as a result of industrial accidents than as a result of industrial disputes. A chart published by the Occupational Safety and Health Directorate of Canada Labour shows that since 1969 the number of man days lost due to strikes and lockouts has been considerably lower than the number of days lost due to work-related injuries. In 1969 a United States Department of Labour survey indicated that 71 per cent of all workers considered occupational safety and health a higher priority than wages. With changing economic conditions since 1969, the priorities of workers both in the United States and Canada have probably shifted, but I am under the impression from talking with workers in many fields that concern about factors affecting health is at a high level now.

Government, management, and labour representatives working with health and safety professionals have made considerable strides in developing and furthering occupational health and safety. In the past century many obvious hazards have been eliminated. However, increasingly workers are exposed to potential hazards such as noise, radiation, vibration, ultrasound, and so on. Chemical usage has experienced considerable growth. Over 500,000 chemical products are currently used in industry and each year, in the industrialized nations, 250,000 new chemicals are invented, or synthesized, of which about 3,000 are put in production. The United States has developed occupational health standards for only about 400 of these chemicals. Toxic research and information generally lag behind the introduction and use of chemicals in industry. Recent reports indicate that environmental carcinogens may be more numerous and ubiquitous than previously suspected.

Occupational health was identified as a priority area by federal and provincial deputy ministers of health in June of 1975. The important thing now is to find ways for all the interested parties, federal, provincial, and municipal health authorities, and labour and management, to combine their efforts.

Canada lacks universal reporting and recording systems and, hence, a data base for numerous aspects of occupational health relating to accidents, injuries, disease, and death. Development of a national code will be an important tool for planning further progress.

Finally I wish to congratulate the government on its courageous decision to include in human rights legislation the principle of equal compensation for work of equal value performed by persons of either sex. Between 1951 and 1972 the labour force grew by 70 per cent. A large part of this growth in the work force is due to the number of women working or actively seeking work. In July, 1974, Statistics Canada estimated the growth in participation for these years, that is, 1951 to 1972, as being 157 per cent for women, compared to 46 per cent for men. This influx of women has affected very little the pattern of women entering the so-called traditional female occupations. Even though women make up only about a third of the labour force, 72.2 per cent of all clerical workers and 60.1 per cent of workers in service occupations are women.

● (2050)

The so-called job ghettoes, that is, the jobs done mainly or only by women, have traditionally been badly paid. There are many reasons for this, but perhaps it is more profitable now for us to look at solutions and corrective tools than to deplore history. When the principle of equal pay for work of equal value is established by law in the federal public service, Crown corporations and so on, they will have to do their job evaluations differently. I know that many senior public servants fought hard against the inclusion of this principle, but really the technical difficulties that it presents in terms of updating

and modernizing job evaluations are not insuperable, and the benefits in terms of greater mobility and job satisfaction for both men and women surely outweigh the difficulties.

The Canadian Classification and Dictionary of Occupations prepared by the Department of Manpower and Immigration in consultation with Statistics Canada aims to provide:

—a standardized terminology of occupations and a code that can be used by employment offices in interviewing, counselling and placing applicants and by employers for recruiting, promoting, transferring and job classification purposes.

Universities, research organizations, and other institutions are also encouraged to use CCDO to obtain statistical data. Therefore this is a major work of reference.

It is a very useful work for industrial type skills which are easily measured. It is less useful when applied to personal service occupations, and these are the occupations which have a disproportionate number of women. For example, foster mother is included in the same unit group (6149) with butler, tattoo artist, child care attendant, locker-room attendant, and cabana boy. The DPT code (data, people, things) for grading occupations according to the skill content required in dealing with data, people, things, uses a digit from 0 to 8 in each of the three categories (data, people, things) to indicate the skill required with 8 being "no significant relationship" and 0 the highest requirement. On this scale a dog trainer's DPT number is 227. The implication is that the dog trainer needs a high level of skill to deal with data and people and a low level to deal with things, whereas a foster mother's DPT code is 637 which implies that she needs very limited skill in dealing with data, less skill in dealing with people than the dog trainer, but she is equal with the dog trainer in terms of handling things. One might well question even the last one as one thinks of the complexity of domestic appliances today. However, this is a rating which does not take into account the qualities of heart and mind that a successful foster mother needs to provide not only for the physical needs but also for the emotional and intellectual needs of a young child.

The discrepancy probably does not represent so much a downgrading of caring, nurturing functions so much as it represents difficulty in measuring. When a dog is sent to obedience school the criteria are clear and it is easy to measure whether the dog trainer has achieved results. It is much harder to measure a child's development.

The SVP in this dictionary is the specific vocational preparation. The code for a foster mother is 3. That code number indicates the training for the job is to be accomplished in a period of more than 30 days and less than three months. In other words the factors of life experience and suitability are not included in the SVP, which might be all right if they were included in the coding for general education, but a foster mother's requirement is not high there either.

I have dealt at some length with the example of a foster mother. However, it is merely one example in which personal service occupations are not highly rated.

Men who might wish to enter these occupations and who might find satisfaction in working with people are, of course, deterred now by the low pay and prestige. A more sophisticated evaluation of personal service occupations, especially the para-professional occupations in the health and welfare field, and some updating, would not only benefit the women now in these positions but would also make it possible for men with talents and abilities in these areas to move to them.

In closing may I quote from the Director-General of the International Labour Conference who said last year:

It can indeed be maintained that the success or failure of modern societies will depend on how they solve this key problem of the inter-relationship between employment, remuneration, working conditions and environment, education, health and leisure.

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, since first being elected to the House of Commons roughly four years ago I have had the opportunity to take part in all three debates on the Speeches from the Throne. Therefore it gives me great pleasure to keep my record intact by once again taking part in this latest episode beginning the second session of the Thirtieth Parliament of Canada.

I would like to take this opportunity to congratulate two capable backbenchers on the government side, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance), for moving and seconding the Address in Reply to throne speech. It is very easy for me to understand their enthusiasm toward a government Speech from the Throne oozing with promises, pretty phrases, and vague generalities aimed at perhaps not all segments of our society, but certainly at a great number of Canadians from coast to coast.

The unfortunate fact of the matter is, however, that if these gentlemen followed the progress of their government's legislative policies in respect to the throne speech, they will surely lose their initial enthusiasm only to have it replaced by wonder and awe at how their peers could have the nerve to stray so far from throne speech promises when introducing and implementing consequent policies.

I, too, was enthusiastic when I first heard a throne speech delivered with such majesty and tradition during my first days as a member of parliament back in January of 1973. It did not take long, however, for my enthusiasm to turn first to surprise, then to dismay, and eventually to anger when I realized that the promises made were mere political rhetoric with very little consequential follow-up. The fact is that nearly half of the promises enunciated in the last throne speech in 1974 never materialized.

For example, what happened to the new consumer credit legislation, including the disclosure by lenders of effective rates of interest on loans?

An hon. Member: It's coming.

Mr. Jelinek: In every throne speech it is coming. Hopefully by the next throne speech there will be a new government.

Some hon. Members: Hear, hear!

Mr. Jelinek: What happened to the total revision of bankruptcy laws to help the consumer debtor, to the improvement

of urban and inter-city transportation services, to the legislation to provide for an efficient port system, to the measures for government intervention in cases where a Canadian company may be prevented by its foreign ownership from fulfilling export orders, to the revisions to the Public Service Staff Relations Act, to the human rights legislation, or to the provisions to broadcast the proceedings of the Commons? I know the latter is back in the throne speech. What about the guarantees for the domestic control of uranium mining, and on, and on, and on? Promises, promises, promises! All of these were vivid, definite solutions proposed by the Trudeau administration in the last throne speech over two years ago, none of which were introduced, let alone materialized. Surely the government cannot say it has had no time to introduce legislation dealing with the great promises it made on that uneventful day in September, 1974.

● (2100)

We all know that the last session of parliament was the longest in the history of Confederation, and perhaps one of the reasons for the lack of popularity the government is experiencing today is that the Liberal administration did not see fit to make further futile promises prior to this last Speech from the Throne. I suggest, based on past performance, that anyone who believes the sincerity of the government's promises must surely be over-optimistic and unrealistic. I further suggest, again on the basis of past performances, that a great many of the government's promises to the public at large are made with the knowledge that it is intentionally misleading the electorate.

I hear snickering from across the way. What better example could there be than the now famous Liberal flip-flop on wage and price controls? Was that misleading in the 1974 campaign, or not? In an attempt to conceal the inefficiency of the government in this and other regards the Prime Minister (Mr. Trudeau) now stirs up, by way of diversionary action, what I believe to be the most divisive issue in Canada, that of bilingualism.

I am all for bilingualism and the principle behind it. But why stir up this subject on a regular basis with phony issues? To me it is beyond comprehension. The principle of bilingualism was accepted by all parties in the House, and if it were left alone in the hands of the people the nation would be better off for it.

I should like to give an example of a nation which has more than two official languages. I am thinking of Switzerland. Do we ever hear of any problems relating to language issues in Switzerland? It is left in the hands of the population in that country. Mr. Speaker, I realise that members opposite on the government side are getting a little flipperty so I shall change the subject and deal briefly with a matter which members before me have already documented in some detail, namely , the cabinet shuffle and the continuing resignations from the cabinet. I should like to touch on the two new sub-ministries which I am certain have been formed in the hope of making a smokescreen to conceal the government's inability to cope with the massive problems relating to small business on one hand, and physical fitness and amateur sport on the other. Ironically these are two areas with which I have been closely associated at different times as spokesman on behalf of our party.

It was nearly three and a half years ago, when government spending was at a far lower level and the inflationary cycle had not yet begun to spiral, that I recommended for the sake of a physically fit nation, as well as for a semblance of order leading up to the Montreal Olympics within the amateur sports world, that a sub-ministry for physical fitness and sport should be established. The response I received at that time from the then godfather of the Canadian Football League, the Minister of National Health and Welfare (Mr. Lalonde), was simply incredible bearing in mind the action taken by the government in these times of restraint. I believe he had just finished sticking his nose in where it didn't belong, that is to say, into professional football, when he found out about my suggestions, and recommendations.

Perhaps Your Honour would allow me to quote from a speech given by the minister to the Sports Federation of Canada on March 16, 1974, part of which was in response to what I had said. Talking about the lack of a fundamental amateur sports program, he said:

> I am aware of the concern felt by the hon. member for High Park Mr. Otto Jelinek, concern for these very same matters. Unwittingly, I think there is a very strong recommendation for a Canadian Ministry of Sport. How surprising, to me at any rate, that a man with Mr. Jelinek's credentials as an accomplished athlete should be endorsing the creation of—and I say this with some trepidation because of my own experiences—what appears to be a rather relentless bureaucracy.
>
> Consider for a moment such a ministry with all its possibilities. It is true that I have in my department two deputy ministers—one for Health, and one for Welfare—but can you imagine for a moment the problems for a minister of sport? He would need to hire a hall just to meet with his deputy ministers. There would be the deputy minister of ballooning, the deputy minister of bowling, the deputy minister of trotting and it would go on and on—

Mr. Flynn: Mr. Speaker, he is speaking, and I should like him to be more explicit about which minister he is speaking and why he is speaking—

An hon. Member: Who?

Mr. Flynn: —on which sport he is speaking and to what he is speaking, because he is alluding to all different sports.

The Acting Speaker (Mr. Ethier): Order. That appears to be a matter of debate rather than a point of order.

Mr. Jelinek: I believe the hon. member could not have been listening to what I said earlier. As to what he has just said, I am sure the translators must have found it difficult translating the mish-mash that came out of his mouth.

Some hon. Members: Oh!

Mr. Flynn: I do not think the hon. member understood what I said at all. I understood perfectly what he didn't say and I would like to have him explain now what he intends to say.

The Acting Speaker (Mr. Ethier): I do not believe an argument as to facts gives rise to a legitimate point of order. I

still ask hon. members to exercise restraint. I believe the hon. member for High Park-Humber Valley (Mr. Jelinek) should be allowed to continue.

Some hon. Members: Hear, hear!

Mr. Jelinek: Thank you very much, Mr. Speaker. I see that not even the hon. member's own colleagues can understand what he is talking about. I was quoting from a speech delivered by the Minister of National Health and Welfare. This was in response to my recommendations to him some years ago when he was knocking the feasibility of establishing a sub-ministry of physical fitness and sports.

● (2110)

After these rude interruptions, Mr. Speaker, I should like to continue quoting the minister. The minister said:

There would be the deputy minister of ballooning, the deputy minister of bowling, the deputy minister of trotting and it would go on and on, and the way things are going now you would definitely need two deputy ministers of football, one for the offence, and one for the defence.

He concluded as follows:

My fears are that the author of the P.C.-Jelinek paper with this ministry of sport idea, at any rate, may be skating on very thin ice.

That, Mr. Speaker, is one more example of an absolute flip-flop by the government, and a typical exemplification of the arrogance demonstrated by the Minister of National Health and Welfare. A simple conclusion leads me to believe that the minister was either attempting to mislead the public or that he is losing seniority and the high regard in which he is reputed to be held by the Prime Minister. Indeed, I feel very sorry for the new Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo) who has to work under the Minister of National Health and Welfare who is totally opposed to a sub-ministry for fitness and sport. A minister who spends over $2,000 on football speeches to make in the House of Commons in the midst of an inflationary cycle in Canada does not know what he is talking about.

We do not have to stop here when discussing inconsistencies by the government, and more specifically by this same minister. We know that in his former capacity as minister responsible for sport, which he knew very little about, he refused to honour a $500,000 grant promised by his department to the organizing committee of the 1976 Olympiad for the Physically Disabled because of South Africa's participation in these games which took place in Toronto earlier this year. His reasoning was his government's policy regarding apartheid in South Africa. Yet the inconsistency exists in the very fact that this same government has personnel within the Department of Industry, Trade and Commerce in Africa for the sake of promoting trade.

Now, no one is arguing the merits of that situation, but it is the double-faced standard that upsets me no end and which the government is demonstrating by recognizing South Africa, on one hand, in respect to trade and not recognizing South Africa, on the other hand, in respect to disabled youth. Yet today in this House a double inconsistency, if I may use that

[The Acting Speaker (Mr. Ethier).]

phrase, occurred when the House unanimously supported my motion to support and encourage current fund raising programs for the disabled in Canada as well as abroad, including naturally those in South Africa as well. Needless to say, I was most pleased with the results. However, one must take it that the government was either sleeping, or simply ignorant as a whole, or that it has changed its policy regarding apartheid in South Africa. I look forward to some specific policy coming from the government side in this respect, their having unanimously approved support for the disabled athletes around the world, including those in South Africa. I only hope that some semblance of consistency develops in this respect, and indeed in many other important issues that the government continues to confuse rather than clarify.

I would be remiss, Mr. Speaker, if I did not at least touch on the subject matter that I am responsible for on behalf of my party, namely, a part of our economic process that must surely form the backbone of our economic way of life. I am of course referring to small business.

We all know that the small firms sector of our economy has been generally ignored and bypassed by all levels of government, and to this end I welcome the Prime Minister's decision to segregate the government's responsibilities to small business from that overwhelming Ministry of Industry, Trade and Commerce by creating a new sub-ministry responsible for small business. Again, I believe that the formation of this sub-ministry is simply a smokescreen by the Prime Minister to pacify the unsuspecting small business community which, as a result of its widespread individualism, lacks a strong enough voice in government.

We know that the government confers from time to time with such representative groups as the Canadian Federation of Independent Business, the Chamber of Commerce, as well as the Canadian Manufacturers Association. All three organizations are exceptional ambassadors for their specific communities in respect to small business, but their representations alone are simply not strong enough. My suggestion to the small business community, for the sake of having a stronger voice in Ottawa, is that it rally behind the idea of having these and other interested groups approach the government as a unit on behalf of small business in order that they do not get trampled under in the stampede for power by big unions and big industry, which in fact represent only a minority of the working force in Canada.

When the government is in consultation with labour, for example, it is basically dealing with the Canadian Labour Congress whose membership totals somewhere around 20 per cent of the total labour force. And when the government is in consultation with business, it is naturally talking with the major industries and multinational corporations, which again represent far less than 50 per cent of the business community.

There is no doubt about the fact that the small firms sector is by far the largest and possibly the most important sector of our economy, responsible for employing well over 50 per cent of our labour force. This is the sector that has continually been bypassed by all levels of government while at the same time it

is taken for granted it will abide by the horrendous bureaucratic regulations established for big industry.

I believe it is time for all governments to allow small business the freedom it deserves while at the same time making the specific legislative changes that are required. Looking at statistics and our economy as a whole, there is no question that the government has not only failed to implement policies which would encourage a healthy and expanding small business sector in the economy, but has perpetuated policies and practices harmful to this sector. To this end I have just introduced a private member's notice of motion for consideration which reads as follows:

That, in the opinion of this House, the government consider the advisability of implementing programs to assist the development of small business in this country, consisting of such positive initiatives as:

(a) Allowing tax credits for investment in small business:

(b) Providing assistance in the formation of small business export consortia;

(c) Changing government tender practices so that small business supplies a portion of government purchased goods and services;

(d) Reducing the government paperwork burden imposed on small business.

In other words I am asking for some form of comprehensive policy on small business. A small business sub-ministry has been established, but no small business policy has ever come forth from the government. The time has come for this to take place. Some of these proposals which I put in my motion are in existence in other countries; they are not new ideas. They work very well in Japan, the United States, Belgium, West Germany, and other countries. But our small business minister is not visiting those countries on his first trip abroad. He is going to the Soviet Union. Perhaps he is going to study the free market system, but I do not know what he is going to study in the Soviet Union as the government's representative for small business.

● (2120)

It is strange indeed to note that the government has failed to come up with any such policies in the past. As a matter of fact a Liberal policy on small business is non-existent. This forces the small business community to abide by the bureaucratic rules and regulations established for the sake and benefit of large, and usually multinational, corporations, corporations which are able to cope with such rules and regulations vis-à-vis the small businessman who is unable to do so.

In closing, Mr. Speaker, I will repeat what I have said so often before in this Chamber, something that I believe is imperative for our democratic way of life to survive. If we want the small business firm sector to survive within our society, as indeed we all do with perhaps the exception of the NDP, then immediate action by the federal government must be taken. The small business community is what the free enterprise system is all about. It is what this country is built on and what this country can prosper by. Other countries which presently are more fortunate than Canada in respect of unemployment, inflation, productivity, and other areas by which the standard of success is judged, have all concentrated their economic energies toward their small firm sector within their industrial way of life.

We cannot and we must not allow the Prime Minister of Canada to change the free market system in this country. If the Prime Minister believes the free market system does not work, as he so clearly stated a year or so ago, then may I remind him that if indeed free enterprise is having its problems in this country, that certainly has nothing to do with the system itself, but rather with the strangle hold that he and his government have had on that system for the past decade or so. Sending his newly appointed Minister of State for Small Business (Mr. Marchand) to the Soviet Union as his first official trip abroad is not a step in the right direction toward preserving free enterprise.

Perhaps the federal government will finally take the necessary steps to reverse its trend toward centralization and make the legislative changes so vital to the survival of the free market system and society as we know it. If, however, the government is persistent in allowing free enterprise to suffer by its unwillingness to cope with the problems associated with it, which I believe to be the case as the government has had enough time to change its theories and philosophies, then I know the electorate as a whole will follow yesterday's trend in the by-elections and, at the next opportunity, elect the appropriate representatives who will be committed to preserving the traditions that have made this country the great place it is.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not take part in this debate to be strictly political.

Some hon. Members: Oh, oh!

An hon. Member: This will be the first time.

Mr. Whelan: I would be remiss if I were not just a little bit political. Some of the things that have been put on the record by speakers in the last couple of days have not been as factual as they might have been. I do not know where they got their facts, but—

An hon. Member: Your colleagues aren't going to like this, Gene.

Some hon. Members: Oh, oh!

Mr. Whelan: I have an advantage over most members of the House, Mr. Speaker, in that they are making the noise but I do not know what they are saying.

Some hon. Members: Hear, hear!

Mr. Whelan: The throne speech made little direct reference to agriculture.

Some hon. Members: Oh, oh!

Mr. Whelan: Some hon. members have made a tremendous noise about that. I think that is all you can say about it. Their contribution in the way of constructive criticism has not been very great judging from what I have read and heard. Agriculture continues to hold a very high position on the government's list of priorities.

Some hon. Members: Oh, oh!

An hon. Member: Even you don't believe that, Gene.

Mr. Whelan: Mr. Speaker, anyone today who can read in either of the official languages, and the press releases from the Department of Agriculture are in both official languages, knows that the list of things we have done in the last year is this high, Mr. Speaker. These documents I hold are not lengthy but rather single sheets outlining what we have done for the different agricultural groups in Canada.

An hon. Member: It's a good thing we don't have plumbing all across Saskatchewan.

Mr. Whelan: I would challenge anyone to point out a time in the history of Canada when a government reacted more to the needs of agriculture in this country than has this government.

Some hon. Members: Oh, oh!

An hon. Member: Your press releases are used across Saskatchewan.

Mr. Whelan: As I said, we did not make a great play about agriculture in the throne speech. That was not an oversight or an omission because the facts speak for themselves. We should remind ourselves of the fact that in the last four years the farmers of Canada have been better off than they have ever been before in their lives.

Some hon. Members: Oh, oh!

An hon. Member: You come out to Saskatchewan and tell them that.

Some hon. Members: Hear, hear!

An hon. Member: You are beginning to talk like the Prime Minister (Mr. Trudeau).

Mr. Whelan: Just ask all those lawyers who are members of parliament who own land in central Canada, eastern Canada, and western Canada, and they will tell you how much their land values have increased, and how well off they have become. They can tell you how much their share crop in respect of wheat has brought them. They can tell you about these things if you want them to do so.

During the last session there was a very heavy load of agricultural legislation. Those bills are now law and we are working hard toward their implementation.

Some hon. Members: Oh, oh!

Mr. Whelan: It is obvious that food provides a tremendous amount of energy. Just listen to the amount of noise we are getting from the other side.

An hon. Member: They are well fed.

Some hon. Members: Hear, hear!

[Mr. Whelan.]

Mr. Whelan: Due to the fine progress the House made on agricultural matters in the last session there was not much carried over into this new session.

Some hon. Members: Oh, oh!

Mr. Paproski: Why are you laughing, Gene?

Mr. Whelan: Following the 1972 election we did not hold up agricultural legislation like they did, yet they try to make out today that they are the farmers' friends. The records of this House show how friendly they were. Some of the statements put on the record in the last couple of days would indicate what kind of friends they are to agriculture. The people involved in agriculture in Canada know the real facts.

There was not much of a carryover, but that is not to say we will not be bringing forward agricultural legislation this session, because we will. The throne speech mentioned one important item, namely, measures to make more farm stored crops eligible for advance payments. This will make the cash advance system, which has been of great assistance to prairie farm grain growers over the years, available to farmers in other parts of Canada and in respect of crops other than grain.

When hon. members opposite were in power they made out they were friends of the farmer, but what did they do? What did they do about advance payments to make farmers equal across Canada? They did nothing at all about it.

● (2130)

An hon. Member: Bring in the cheese.

Mr. Whelan: A true national cash advance system will go a long way toward completion of a comprehensive farm income stabilization plan for Canadian farmers. It will give farmers the opportunity to obtain cash against farm-stored crops rather than having to sell their crops at distress prices at harvest time, and that involves many crops right in the area of Perth-Wilmot. The hon. member who represents that area should be concerned about that; he should not jeer because it will help an awful lot of farmers in his area. If we put the program into proper use and perspective, we will help him right out of this.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Whelan: It will ease the problem—

Some hon. Members: Oh, oh!

Some hon. Members: Order!

Mr. Flynn: Mr. Speaker, I rise on a point of order. We have heard our Minister of Agriculture (Mr. Whelan) trying to explain very carefully the many agreements we have made across Canada, but members of the opposition are not willing to let him tell his story. I think he has much to say and we should let him say it without interruption.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): I wish to inform the hon. member that the minister has the right to make an uninterrupted speech.

Mr. Jarvis: Do it straight this time, Gene, without laughing.

Mr. Whelan: Mr. Speaker—

Some hon. Members: Order!

Mr. Whelan: —I had some reservations about coming into the House tonight—

Some hon. Members: Oh, oh!

Mr. Whelan: —but as I was saying, this program will ease the problems of farmers who need cash but cannot market their crops because the marketing system is temporarily clogged by everyone trying to sell their produce at the same time. As I said, it will round out the stabilization package which now includes the fully revamped Agricultural Stabilization Act, crop insurance, the Western Grain Income Stabilization Act, and the Farm Products Marketing Agencies Act.

Some hon. Members: Hear, hear!

Mr. Whelan: Together with other legislation on the books, such as the Farm Credit Act, these measures are providing Canadian farmers with the finest legislative framework to be found anywhere in the world, and I challenge anyone to deny this.

Some hon. Members: Hear, hear!

Mr. Whelan: This also provides consumers with the assurance of a continuing supply of high quality food at prices they can afford.

Mr. Hargrave: Especially beef.

Mr. Whelan: I will talk about beef a little bit later, but there is no denying that never in the history of the purchasing power of Canadians could they buy more beef and more food products—practically any food product that is available; you do not have to mention only beef—that are produced in Canada, for an hour's wages.

I mentioned the other legislation we have to protect farmers, legislation that was passed last year and in previous years by this parliament. The farmer needs this kind of protection even if some members opposite do not think that he does. Letters have been sent to my colleagues in cabinet from an association to which some people used to belong—I do not know if they still do—asking me, for instance, to withdraw beef from the stabilization legislation, to take it out of the act because farmers do not need it. That is what they said. That is not what they are saying now. When I had legislation last year to put import quotas on the United States, 100 per cent on the last year's average, and I had it on Australia and New Zealand, who in the hell asked me to take it off?

Some hon. Members: Hear, hear!

Mr. Whelan: The same people are saying to me now to put controls on Australians and New Zealanders. I ask them to ask their leader if he believes that we should not be part of the Commonwealth? If they want to condemn the Commonwealth, to throw it out and to say they are not members of GATT, they are not our trading partners and we should treat Commonwealth countries differently than the U.S., then let their leader say so. They are saying that the United States is closer to us than Australia and New Zealand; they are saying, "Abolish the Commonwealth." Get your leader to say it too. We are trading partners with Australia and New Zealand.

Some hon. Members: Oh, oh!

Mr. Whelan: I am not saying that everything has gone perfectly well with them, but when we lifted the quotas on the United States last year some suggested that we keep quotas on Australia and New Zealand, that we treat them differently than the United States because we are part of the North American beef trading market. But the North American trading market belongs to 37 other countries in the world, not just Australia, New Zealand, Canada and the United States, as some of them tried to implant in the producers' minds, which I say is dishonest because that market never belonged only to the North American producers. They know as well as anybody that we have been deficient in processing beef for years and we have always had to depend on imports. They say we should cut off our trading partners. I am surprised to hear that from the good old Tory Conservative party. I am surprised to hear them suggest we should get out of the Commonwealth. That is what they are saying.

Some hon. Members: No, no.

Mr. Hnatyshyn: I think the minister will want to take the first opportunity to retract the rather unfortunate statement he just made with respect to the allegation that we want to get out of the Commonwealth. I realize he is making the point that beef is cheaper. Tonight we understand that bull is free.

The Acting Speaker (Mr. Ethier): Order, please. This is more a point of debate. I suggest that the minister should be allowed to continue.

Some hon. Members: Retract.

Mr. Whelan: Mr. Speaker, the hon. member, in my opinion, did not have a point of order. He only contributed to the beef surplus with a little more bull.

Some hon. Members: Hear, hear!

An hon. Member: You are a bunch of rabble rousers.

Mr. Munro (Esquimalt-Saanich): There is the rabble. The minister is roused.

Mr. Whelan: I wish I had been in external affairs. I would know how to use those fine words a little better.

Some hon. Members: Hear, hear!

Mr. Whelan: Not like some former civil servants or bureaucrats, people who come to parliament to tell us old parliamentarians how to run the country.

● (2140)

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. There are two comments which have been made, and I think the minister was responding a little bit too generously perhaps to some other comments which were being made.

Mr. Guay (St. Boniface): Sit down.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. I think we are entitled to hear the point of order of the hon. member.

Mr. Munro (Esquimalt-Saanich): First, the minister did not retract a completely untrue statement which was made.

An hon. Member: Prove it.

Mr. Munro (Esquimalt-Saanich): I think that ought to be done, if only to set the record straight. I think we are all prepared to accept that in the enthusiasm of the moment the minister could have overstated the case.

The Acting Speaker (Mr. Ethier): I wish to inform the hon. member that that is not a point of order. It is a point of debate, and I suggest that the minister continue his remarks.

Some hon. Members: Hear, hear!

Mr. Whelan: I hope all these interruptions are discounted from my time.

Mr. Nowlan: Your time was up as of last night.

Mr. Whelan: It could be that I will not have enough time because it is obvious that hon. members opposite do not want to hear facts or to hear what I want to say. I think I am entitled to put what I want to say on the record, but they seem to want to discourage democracy.

Some hon. Members: Oh, oh!

Mr. Whelan: This old Minister of Agriculture and this old politician does not get discouraged; all he wants is his rightful time, even if it takes an hour tomorrow with all these points of order which are being raised.

In Canada we have a tough climate and widely differing soil conditions. We have enormous transportation problems caused by the great distances involved in getting crops to market. We must compete with farmers in other countries for export markets, and we must compete against the same foreign farmers for our markets right here at home. Our farmers need help and encouragement, and they are getting it from this government. That does not mean we are supporting inefficient farmers. None of our legislation is designed with such a purpose in mind. We have the most productive farmers in the world, and we want to keep it that way. However, that does not mean we should stand by and watch our farmers wiped out by weather disaster, a sudden temporary surplus, or by competition from a foreign treasury. The aim of the government is that industrious and efficient farmers should have the assurance of a decent living in return for their labour and investment, nothing more, nothing less, and most of them ask nothing more and nothing less.

The young farmer should also have the longer term assurance that if he borrows the thousands of dollars required to start farming today, he will be able to make a living from agriculture for many years to come.

In some areas problems exist. Some of our agriculturalists who are well established say, "So what, let them be destroyed". This Minister of Agriculture does not believe that that should happen, and that is why we need the Agricultural Stabilization Act this year more than any other year in the history of parliament.

I am not suggesting that we do not have agricultural problems. There have always been problems, and there always will be problems. I attended a meeting tonight, and one of the delegates asked me how things are going in agriculture. I said that today we solved two problems but that tomorrow we will probably have three new ones. That is not uncommon in a country which deals in world markets, and so on. However, this is a country which is different from many other countries. I do not know of a country in the world which would not trade its problem for ours.

Some hon. Members: Hear, hear!

Mr. Whelan: As Minister of Agriculture representing this government and the farmers of Canada I have visited countries in different parts of the world. Sure, we do have problems, but they are very small when compared with the problems of farmers in other parts of the world. They are so small, they are hard to measure. There is hardly a ruler which would measure them. I am thinking of the problems of farmers in countries in the Balkans, in other parts of Europe and so on.

The only serious challenge we have is to do our job well, and because of that we end up with surpluses. We should count that as a blessing. I said last year in this House, and I will say it again, that if I were in the U.S.S.R. or in some other country they would not be saying that I should be fired; they would be giving me a medal because I would be the leader and the person responsible for the most efficient group of agricultural producers in the world, producers of surpluses and the envy of countries such as China and Russia.

Some hon. Members: Oh, oh!

Mr. Whelan: Some hon. members have great compassion for that great food machine to the south of us. That public corporation called the CBC, funded by this government to the tune of $400 million in subsidies, tells us what a great system the United States has, that F.D.R. and everyone since has poured billions and billions of dollars into agriculture, much

more per capita than we ever thought of pouring into agriculture in Canada. We are told about the great machine built by that great free system way back under F.D.R. Hon. members may remember that he paid farmers to kill pigs, not to grow crops and that sort of thing. This Minister of Agriculture and this government do not do that.

As I said, we should count these surpluses, as I count them, as a blessing to our country. Canada is one of only four or five countries in this world which are net exporters of food. We are one of four or five countries which do not have to depend on someone else to provide us with that most vital commodity, food.

The delegates who were here tonight informed me that they would be buying from us again this year to feed their people. Only 5 per cent of our producers is involved in agriculture. In the countries represented by those delegates one third of their population is involved in agriculture, but they cannot grow enough to feed themselves. Our surplus food provides billions of dollars and feeds thousands of people in the developing countries. We provide food aid second to none in the world. We are not even second to our big neighbour to the south, even though some of us like to brag more about them than about our own system. This country provides more food aid for needy people in the world per capita than any country in the world. So let them talk about the great food machine to the south!

For the Canadian consumer there is an assured supply of nourishment which is better than any other country in the world. The people have buying power here, and the social services in our country are second to none.

Some hon. Members: Hear, hear!

Mr. Whelan: I can show hon. members letters about the beef problem we face. A little earlier I talked about how I was condemned as a trade restrictionist when I put quotas on imports. I did not hear anyone say that of the President of the United States or of the acting secretary of agriculture in the United States when they triggered their meat import law to protect the beef industry in their country, but by God, last year when I did, people said I was a trade restrictionist. Everything in the book was wrong in the beef industry, and all they asked me to do—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. I think the Minister of Agriculture should be heard.

Mr. Hargrave: I don't think so.

• (2150)

Mr. Brisco: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Kootenay West (Mr. Brisco).

Mr. Brisco: Mr. Speaker, in view of the fact that the speech we have listened to would indicate that the minister has an ego bigger than his head, and in view of the fact that his remarks are so inflammatory, I think we have heard enough from him.

The Acting Speaker (Mr. Ethier): That is not a point of order. The hon. Minister of Agriculture.

Mr. Whelan: Mr. Speaker, if the remarks I have been making are inflammatory it must be that truth makes fire.

In the production of food, surpluses tend to depress prices if they happen to occur in those commodities for which there is no possibility of international sales. It is also wasteful to produce food for which there is no demand. That is one very good reason for better planning of production. Energy is scarce enough without wasting it on unwanted products. Agricultural products can waste in the sun and waste in the cold. Without planning you can just produce them and hope somebody will buy.

When I speak about the supply management system, Mr. Speaker, I would point out that that is what the President of the United States is proposing for U.S. beef producers now. He had a quota system for them and he has triggered a meat import law. I should like to ask some of the hon. members if we have the opportunity later in this session, or perhaps in committee, what they think the President means when he says, "You can ship so many million pounds, and you over there can ship so many million pounds, and you down there can ship so many million pounds." If that is not a supply management system I should like to know what it is. He said, "Our market can absorb so much and no more". The President of the United States of America told us that if we shipped an excessive amount of beef to them they would immediately face us with that agreement we made between the secretary of agriculture for the United States of America and myself last December. I can tell you this, Mr. Speaker, there was no such discussion that took place before President Ford announced what he did this year.

Right now there are difficulties with the beef and dairy sectors. Both are in world surplus positions much greater than many people can imagine. When you attend meetings, as I have, as the representative of this government, with the Latin American ministers and listen to them tell how they were financed by the Latin American Bank and by world organizations to enter the beef business and now cannot sell a pound of their beef, you know it is a world problem.

To whom does the North American market belong? Not to the big farmers of Canada and the United States as a lot of our so-called experts and beef breeders would tell us; it belongs to North American farmers plus 37 other nations of the world.

Let us face facts, Mr. Speaker. This year in Canada we exported more beef than we imported. Our balance of trade is about 50 million pounds of fresh beef plus 67,000 head of cattle more sent to the United States than we ever shipped to them before. The balance is in our favour. When they wanted North American market prices—we still have North American market prices. We have market prices Omaha based that are still higher in Canada than they are in Omaha. Let them be honest. Let them tell the beef farmers that that is what they

asked for and that is what they got. Tell them that even with the imports of beef they received 10 per cent to 25 per cent more for their cows this year than last year when we did not have the imports of beef from Australia and New Zealand.

The Acting Speaker (Mr. Ethier): Other, please. I regret to interrupt the hon. minister but the time allotted to him has expired. He may continue if he has unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): Mr. Speaker, if the minister could finish by ten o'clock we would be very pleased to allow him to continue.

Mr. Whelan: Mr. Speaker, if they want to suppress agriculture in Canada I am willing to let them.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I am sorry the Minister of Agriculture (Mr. Whelan) was not up to the challenge of speaking a little longer to finish off his remarks but I am quite prepared to deal with some of the issues he raised. It is clear to everyone in this Chamber that the minister has failed miserably in carrying out his mandate as minister of agriculture and he will pay the price in the next election.

I want to start off in the traditional way by complimenting those members on the government side who moved and seconded the Address in Reply to Speech from the Throne. The mover was the hon. member for Restigouche (Mr. Harquail), and I think we would all agree that he is going to amount to something in this parliament. He is unique in that he is the only Liberal to be elected in a by-election during this parliament. We realize that from now until the end of this parliament no more of his party will be elected, so I want to compliment him and say that notwithstanding—

Mr. Flynn: Mr. Speaker—

The Acting Speaker (Mr. Ethier): The hon. member for Kitchener (Mr. Flynn) on a point of order.

Mr. Flynn: Mr. Speaker, with all due deference to the hon. member I do not think our member was the only one elected in a by-election so he is giving incorrect information. This is a distortion of information and he should give it correctly. If he just got up to tell off the minister, he is wrong.

The Acting Speaker (Mr. Ethier): Order, please. Hon. members will be recognized on a point of order but not for debate. The hon. member for Saskatoon-Biggar (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, I am sorry that the hon. member for Kitchener (Mr. Flynn) apparently has a hearing problem. I said that the hon. member for Restigouche (Mr. Harquail) would be the only Liberal member elected in a by-election during this parliament.

I should like to call it ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

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

FLOODS—GOVERNMENT REACTION TO PETITION FOR CONTROL MEASURES ON RIDEAU RIVER

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the purpose of this debate is to move to another subject, one that I raised on the fourth day of this session of parliament. It concerns the flooding that has happened on the Rideau River and the efforts being contemplated by the government to combat the difficulties that residents in my constituency and elsewhere have experienced as its result.

On October 15 I inquired of the Minister of Indian Affairs and Northern Development (Mr. Allmand) if he had had an opportunity to review the petition sent to him by some 550 residents on the banks of the Rideau River concerning flood control, maintenance of water levels on the Rideau, whether he had had an opportunity to consult his officials, and what he intended to do about the problem. The minister indicated he had not seen the petition although I know it was sent to him. Perhaps he has seen it now, and he has received correspondence with respect to this matter.

• (2200)

I am talking of most serious conditions, Mr. Speaker. In the spring of this year thousands of dollars of damage was caused to those people who live along that river. I do not think one can say, and I am sure the minister will not say, that people built there, therefore they must suffer the consequences. I do not think the minister would say that, in the circumstances.

The difficulty exists, perhaps owing to the failure of the ministry to deal with it. The primary area of flooding that concerns us is the stretch of river between Burritt's Rapids and the Long Island locks. As the House may be aware, there was extensive flooding during the spring run-off period of 1976, resulting in the considerable property damage to which I just referred. In several years during the past decade there has been severe flooding on that river. The petitioners feel that this flooding could have been averted if the authorities had exercised proper river level management.

The residents of the area contend that the off-season water levels of the past few years have been left higher than in previous years. They contend that not only have water levels been left higher, but that there is a facility for controlling the

water at Long Island. They are as mindful as any of the importance of preserving the area's wild life and marine life. They live along the river. But they feel that since water levels have been lowered in the area north of Black Rapids, without damaging wild life and marine life, the same could be done in the area of concern to them.

They are asking for the maintenance of the water level, and for flood control on the river. They object to the high water levels maintained between the two areas mentioned, water levels which have resulted in the flooding to which I have referred. They contend that by lowering substantially the water level of a portion of the system, a greater catch basin could be created to accommodate the spring run-off.

A recently created federal-provincial-municipal organization known as COORTS has been brought together for the development of the entire Rideau-Trent-Severn system. People concerned about water levels in the area say that if those levels are to be controlled it is necessary to activate the provisions of the agreement and understanding arrived at, and apply them in the particular area of concern.

I have asked for an answer to my question and I brought it forward again for debate this evening because it is important to many of my constituents who have suffered damage as a result of the flooding. I submit that, in view of the history of the area, unless something is done similar difficulties will again arise. I hope that the representative of the ministry will be able to announce what steps are being taken. I also ask the parliamentary secretary, who has considered the matter, to bring to the attention of the minister the questions I have placed on the order paper relating to this matter, which is important to many people, many of whom have invested their life savings in homes in this area.

The Rideau is a beautiful river, Mr. Speaker. It can be made more beautiful, deepened and widened, not just for boaters, but as well for all those who indulge in recreation along the river. But when this is done I hope the people who live in the area and have invested their life savings in it will not be forgotten.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I thank the hon. member for Grenville-Carleton (Mr. Baker) for bringing this matter to the attention of the House. I like many who live in and around Ottawa, have always appreciated the value and beauty of the Rideau River. Many of my closest friends live along the river; as a result I am familiar with the difficulty to which he referred.

On October 14, 1976, a petition addressed to the Minister of Indian Affairs and Northern Development (Mr. Allmand) was presented directly to the department. The petition contained more than 500 signatures.

The petitioners object to the flooding on the section of the Rideau River between Burritt's Rapids and Long Island which they state is because of the high water levels maintained on this section of the river during the winter.

In 1976 the worst flooding on record occurred along the Rideau River between Smiths Falls and Ottawa. The break-up was very rapid due to abnormally high temperatures followed by rain. Considerable damage was caused, and officials of the department immediately began assessing what, if anything, could be done to alleviate the problem in the future.

The petition requests that the water be lowered to provide a larger "catch basin", and assumes that marine and wildlife would not be seriously affected. The petition also states that damage due to ice is increased by high water levels.

There has been insufficient time to review the petition as to what effect a lowering of the water level by three feet, as requested, would have on wildlife and the surrounding water table. It is known that in similar situations along the Trent when water levels were lowered for construction purposes, fish and aquatic mammals were killed and nearby wells have gone dry. The uplift of ice when spring freshet commences is often more severe with lower river levels and usually there is more damage caused to docks and bank protection. Officials have calculated that the amount of storage provided by such a lowering would have delayed the high water levels in 1976 by about a half day but would not have reduced the maximum levels reached.

The minister has asked that the petition be studied in detail. Game and fish authorities have already been asked to give their advice. An opinion has also been requested from an independent engineering firm as to what effect an all winter lowering would have on ice build-up. The clearing of ice jams in the Ottawa area is a municipal operation assisted by canal procedures to flush away the broken ice. Similar co-operation would be given the upstream municipalities if they wished to provide a similar service on a co-ordinated basis.

The control of water in a watershed has many ramifications besides maintaining levels for navigation. They have an effect on the water level in wells, fish and marine life, and the quality of the water itself. Departmental officials are constantly trying to improve the art to accommodate as many users as possible with minimum adverse effects. Precipitous action might have unexpected and undesirable results. It is for this reason that this complex problem requires detailed multi-disciplinary study.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The time of the hon. parliamentary secretary has expired and we should go on to the next question.

[*English*]

ENERGY—REQUEST FOR SUBSIDY TO ATLANTIC PROVINCES—GOVERNMENT ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am honoured and delighted that the minister is here tonight to answer my humble question. I will leave aside the preliminary recitation I made to him and the answer he gave to me.

I was impressed, indeed shocked, that on an issue so vital to the people of Prince Edward Island and Nova Scotia the

minister could couch his answer in such heavy layers of complacency and casuality. For many, many months the premiers of the two provinces have been presenting an urgent case for special action to provide some measure of relief for the people of Prince Edward Island and Nova Scotia.

I know that the whole country, indeed much of the whole world, faces a grave energy crisis. But the situation in the two provinces is especially acute and painful. We have no great hydro-electric capacities. In Prince Edward Island our electricity derives from oil-fired turbines and one need not be an expert to know the effect of increasing oil prices.

In seven minutes I would not presume to attempt an in-depth discussion of the nation's energy problems. But it is beyond question that the Government of Canada is deeply involved in, and in large measure responsible for, our current energy crisis. I can and should, Mr. Speaker, draw to the attention of the House and the minister the very grave situation in which the provinces of Nova Scotia and Prince Edward Island find themselves.

I hear from constituents a depressing account of their difficulty in paying their monthly electricity bills. One lady says it costs her more for electricity than for her rent. Phenomenal increases seem the order of the day. In my modest constituency office in Charlottetown, the increase is revealing. In July, 1975, the bill for electricity was $2.86. In August of 1975 it was $3.23. One year later, July, 1976, it was not $2.86 but $11.88. The bill for September, 1976, was $27.05. This is a sizeable increase for a small office with dome lights. But think of the effect on our processing plants where our fine agricultural products are frozen or otherwise processed. With our transportation costs and other deterrents to which the Minister of Transport (Mr. Lang) is adding further problems, we have trouble enough already trying to compete. If the costs of energy are to be so disparate, what is our future?

● (2210)

What processing plant will locate in Prince Edward Island in the face of staggering energy costs such as these? How can we really move in the direction of economic expansion and overcome regional disparity? It is for this reason I was so appalled by the minister's lack of anxiety over the matter. My hon. friend from Egmont rightly pointed out that DREE cannot accomplish anything, let alone economic miracles, if other government departments work against its aims and objectives.

The Acting Speaker (Mr. Ethier): Order. Is it customary to remind hon. members that their time has expired?

Is it agreed that the hon. member may pursue his speech?

Mr. Macquarrie: I do not believe I have exhausted my seven minutes. I think Your Honour is wrong in your calculations.

The Acting Speaker (Mr. Ethier): I am sorry, and I wish to apologize to the hon. member. I was mistaken as to the amount of time available to the hon. member. He still has a few more minutes to go.

[Mr. Macquarrie.]

Mr. Macquarrie: I appreciate that. I have been here for 20 years and have made many wrong moves, but I have never over-extended my time. I say to the minister, whom I like and respect, and for whom I still have hopes: what plant can operate in Prince Edward Island, processing our fine fish or our fine agricultural products, if electricity costs are so exorbitant as to drive it completely out of the Atlantic area? How can he justify those energy costs when our most important minister, the minister for DREE, is seeking to establish and consolidate these very industries? My hon. friend from Egmont touched recently on these points, as I have done for years. There is no logic in one minister dedicating himself to enhancing and supporting the deprived areas of the country if all the other ministers vote against him.

One of the principal contributors to economic disparity is the excessive cost of energy in Prince Edward Island and Nova Scotia. In Prince Edward Island, or Charlottetown, the average salary is $8,100 and the average energy bill is $980, or 12 per cent of the earnings of a household. In Toronto the average salary is $11,000 and the average energy cost per household is $525, or 4.8 per cent. In Edmonton, that wonderful city in the west, the average salary is $11,000 and the average annual energy bill is $305, or 2.7 per cent. One more shattering statistic reveals that electricity cost per kilowatt hour in Charlottetown is $4.35, in Toronto $1.76, and in Winnipeg $1.58. We love the westerners and we love the Ontario people, but this is a disgraceful situation. With figures like these we scarcely need to dilate upon the question of regional disparity. The statistics are all too painfully eloquent and poignantly revealing.

I plead with the minister—and I am honoured by his presence here tonight—to energize himself and to listen to the two premiers, although I think in this case Mr. Regan is more aggressive than Mr. Campbell. As my own leader recognized some weeks ago, temporary aid is absolutely essential. This we must have, and beyond this some major long range moves are overdue.

There are a number of areas in which the Atlantic region can be assisted by the dominion government. The first, I would say, is to stop studying and to start doing something about the Fundy tides. As a Presbyterian and religious man I say it passeth my understanding, in an age when we talk learnedly about renewable and non-renewable resources, that the Fundy project is so casually regarded by the Government of Canada. It is the one great eternal source of energy. So long as the earth, the sun and the moon endure that energy is there.

But why do we want so long? The great French philosopher Montesquieu said that to govern was to foresee. I invite the government to show foresight and to do something lasting and effective in the struggle against regional economic disparity which has been a part of the confederation process and reality for over a century.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I very much welcome the opportunity of replying to the eloquent member for Hillsborough (Mr. Macquarrie), a man who has entertained us and held us

spellbound on many an occasion. I wish I had the kind of budget that would solve the problem that he has set out for us tonight. I wish I could help everybody in all parts of the country. Although there is a tendency to see the problem solely in terms of Prince Edward Island—I do not kid myself; I realize it is probably more serious in Prince Edward Island than in other parts of the country—the problem of increasing electric energy costs exists in other parts of the country as well. Indeed, not so very far away from here you will find electricity rates which are comparable to those in Nova Scotia.

The federal government had a choice to make when the Arab OPEC nations increased the world price of oil. It could have gone immediately to the world price, as some European countries did and as Japan did, or it could have made the choice that it did make, which was to move up in measured steps toward the international price.

As a result of that, the taxpayers of Canada have subsidized very substantially energy users in Canada. In the maritimes alone that subsidy assistance by the end of this year will run very close to $1 billion since the oil price increase went through. More particularly, I think it is important to recognize that automatically, as a result of the last price increase in Canada, there was a shift from the federal treasury to the treasuries of the provinces of New Brunswick, Nova Scotia, and P.E.I. I am talking about the federal-provincial equalization payments. This automatic shift, which resulted purely from the increase in the oil price, is comparable to the increased cost of oil generation in the province of Nova Scotia—in fact it is a little below—and it is a little below but very close to the cost in P.E.I.

Let me go on to say, Mr. Speaker, that there are many who argue that a subsidy is not the answer, that we must look to longer term solutions. Quite frankly, that is where I am placing my emphasis. I would draw the hon. member's attention to the report of a speech that appeared in the Friday, October 8 edition of the *Chronicle-Herald* headlined, "Energy Subsidy Would Only Delay the Crunch". The speech was by Dr. Peter Wilson, director of the Atlantic Industrial Research Institute, Nova Scotia Technical College. He had this to say the previous Thursday:

A direct subsidy would also postpone the energy saving decisions which would inevitably result from higher prices.

● (2220)

I think it is important that we look at things like the Fundy tides. Indeed we are, and we are participating with the provinces of New Brunswick and Nova Scotia. I have seen the first stage of phase one, and the three different projects have been identified. I do not think we should kid one another. Is the hon. member saying that we want Fundy tidal power at any cost, or regardless of the cost, even if it is two or three times the cost of alternative sources such as hydro from Labrador, and nuclear power? I would ask the hon. member to look very seriously at that question.

The other point I want to make is that I am very much impressed with the initiatives of the Premier of Prince Edward Island in respect of renewable energy projects. I have them on my desk, I have been looking at them, and I have been out to see the sites. I think he is taking a very positive and constructive approach to this whole thing.

HOUSING—POSSIBILITY OF ADDITIONAL FUNDS FOR REHABILITATION OF EXISTING UNITS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question has to do with the Atlantic region as well, particularly Newfoundland. On Friday I asked the Minister of State for Urban Affairs (Mr. Danson) a question regarding the rehabilitation program in two areas, one under NIP and RRAP, and the other under a special application for Newfoundland veterans presented to the minister by the provincial command of the Canadian Legion.

The Residential Rehabilitation Assistance Program is, to my mind, one of the best projects ever devised by the government, but for some reason or other there are not enough funds going in to help the many thousands of people who need help. For example, in the province of Newfoundland in the rural areas there are 43,265 people in the lower income bracket earning between $5,000 and $10,000 a year who own their own homes. It is obvious that, with the cost of living and their incomes, their homes are going to continue to deteriorate. They cannot afford to maintain them, install proper heating, proper electrical systems, or the insulation in respect of which the government suggests we are saving a million dollars a year in energy.

The majority of people living in small Newfoundland communities own their own homes. Most of these are old homes built in accordance with the standards of the time. A great many of them are 30 to 50 years old and were built without any of the facilities that today are taken for granted. A high percentage of these homes are without inside water, inside toilets, baths or showers, without central heating and, indeed, with little or no insulation.

The provincial planning task force on housing in Newfoundland knows that with regard to facilities our housing stocks in the province lag well behind those in the rest of the Atlantic region. Many of those homes are owned by low income and welfare families who do not have the financial resources to make the necessary improvements or generally upgrade their homes to minimum standards of safety and comfort.

I have raised this subject on a number of occasions since the program came into effect. For example, last year with the number of homes that needed repairs in Newfoundland we only received $600,000 under the Residential Rehabilitation Assistance Program in respect of rural and native housing. I understand this year there will only be $700,000. The number of loans has increased and grants have gone up to $3,750. They could be increased to $10,000, but what good would it do, as no one is getting anything as a result of a lack of funds? I hope the very fine parliamentary secretary will give me an answer in that regard.

If I have a few more moments I should like to refer again to a survey done by the provincial command of the Canadian Legion on behalf of veterans, a survey which was financed by the government two or three years ago. The survey was done in an excellent manner. We found there were 2,075 veterans or widows who require repairs to their homes but because of the restricted allowances on their pensions they cannot afford them.

Yesterday I saw it reported in the newspapers that the government says it is saving $1 billion on conservation of energy. With the high price of fuel—to which reference was made in the previous question—the high price of electricity, the high price of heating homes, the many thousands of homes owned by Canadians in the lower income brackets, think what the saving would be in energy, fuel and the cost of heating oil if these homes could be insulated and repairs done, and think how much money these people could save, money which they cannot afford to put into repairs, insulation, and maintenance of their homes.

I hope the parliamentary secretary will be able to throw more light on the subject and will be able to say more than was disclosed by the minister last Friday.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has raised a question about the progress of the Residential Rehabilitation Program at an opportune time. I am pleased that he has done so since this is one of the most successful programs currently in operation under the National Housing Act. I might tell the hon. member also that this is of particular interest to my riding in which I can identify three areas falling under RRAP. We had some difficulties with the budget this year, but we succeeded in finding the money and solving most of the acute problems there.

The capital budget allocation of Central Mortgage and Housing Corporation, in designated areas and for non-profit projects for 1976, was set at $37 million early in the year. The performance of this successful program has been such that, by September 30, more than $29 million had been committed, or 80 per cent of the total allocation. Such has been the success of the program, in fact, that funds were reallocated to it at the beginning of this month.

The budget allocation for residential rehabilitation under the Rural and Native Housing Program is $12.1 million. Of this, $6.6 million had been committed by the end of last week.

Three years ago a grant under Part V of the NHA was made available to the Newfoundland-Labrador Command Royal Canadian Legion to provide financial assistance for a survey of conditions under which veterans in the province of Newfoundland were living. The survey was completed in May, 1975, and a report submitted to the provincial government and to the minister. A meeting was held in January between representatives of CMHC, the Newfoundland Housing Corporation, and the Canadian Legion. It was indicated at that time that, since a special NHA program is not available to veterans, about half the units surveyed could fall under the rural rehabilitation program. In September, a provincial order in council designated all areas in the province, except urban areas, for residential rehabilitation under this program. Negotiations are under way with the provincial housing agency for its delivery, and a meeting is being held in St. John's tomorrow morning to select the high priority areas in which the program would have immediate applicability.

The Acting Speaker (Mr. Ethier): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

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

HOUSE OF COMMONS

Wednesday, October 20, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

REQUEST FOR DELAY IN CONSTRUCTION OF PIGGYBACK TERMINAL AT WINNIPEG—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise on an issue of urgent and pressing necessity under the provisions of Standing Order 43. In light of the statements made by the Minister of Transport last Friday in Winnipeg promising to review the proposed location of the new Canadian National Railways piggyback terminal because of the economic disadvantages to the CNR and the harm to the surrounding residential community, I move, seconded by the hon. member for Marquette (Mr. Stewart):

That this House direct the Ministry of Transport to request that the CNR halt further construction of the new terminal until an independent inquiry can be established to review the whole matter with a view to selecting an alternative site.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PUBLIC WORKS

SUGGESTED STUDY OF THE NEED TO RENOVATE CERTAIN WHARVES—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to move a motion on a matter of urgent and pressing necessity.

Due to poor maintenance, many wharves built by the federal government along the St. Lawrence River have fallen into disrepair. I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House recommend to the federal government that a survey of all wharves be conducted to determine precisely which ones should be renovated without delay to be used when we have our merchant marine.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent; therefore, the motion cannot be put.

* * *

• (1410)

[*English*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED CANCELLATION OF PROPOSED FRENCH LANGUAGE STATION IN BROCKVILLE AREA—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise under the provisions of Standing Order 43, on a matter of urgent and pressing necessity to persons living in my constituency and in the general area of Leeds and Grenville counties, arising out of a recent announcement by the CBC that it will use the last available FM radio channel in the area for the almost immediate construction in Brockville, Ontario, of a 3,000 watt FM French language transmitter with a maximum radius of under 30 miles. I therefore move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That in view of the fact that the area to be served is well over 98 per cent non-French speaking and that such CBC action will prevent future establishment of any private FM station in the Brockville district, the House requests the government to take immediate steps to cancel such plans in the interests of common sense and proper expenditure of taxpayers' money and, finally, that the government adopt a clear policy of placing any new CBC French or English radio or television stations only in areas where a reasonable percentage of either language in the minority actually exists.

Mr. Speaker: Order, please. Such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SOVIET DELEGATION

Mr. Speaker: Order, please. Before we begin the oral question period may I bring to the attention of hon. members the

presence in our gallery of a distinguished delegation visiting our country which has been here now for just over a week and will leave tomorrow. I am referring to the delegation from the Soviet Union headed by the distinguished president of the Soviet of Nationalities, Mr. Vitali Petrovitch Ruben.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

INQUIRY CONCERNING PROPOSALS FORWARDED TO PROVINCES—MAINTENANCE OF LANGUAGE RIGHTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Acting Prime Minister. In light of this morning's story in the Montreal *Gazette* relating to constitutional amendments, will the Acting Prime Minister advise the House if any new proposals, information or documents which would have prompted this story have been put forward by the federal government to the provinces since those documents tabled in the House on April 9?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I appreciate the importance of the question asked by the hon. member for Kingston and the Islands. I read the story in the Montreal *Gazette* this morning; obviously, as the hon. member knows, the story is inaccurate. If I may respond directly to the hon. member's question, there has been no further documentation or proposal made since the Prime Minister tabled copies of his letters to the premiers respecting the patriation exercise of April 10, 1976, to which a draft proclamation was appended. This draft proclamation is falsely drawn upon to support the allegation that the draft proclamation itself removes existing guarantees with respect to language rights.

I think Article 30 of the draft proclamation is explicit and states that English and French are the official languages of Canada, that no provision in this part shall derogate from any right, privilege or obligation existing under any other provision of the constitution.

Some hon. Members: Hear, hear!

Mr. MacEachen: This language in the draft proclamation clarifies the situation perfectly and indicates that the report in the *Gazette* is false. One can only hope, in view of the anxiety that report will create, that similar publicity will be given to the correction.

Some hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I thank the Acting Prime Minister for his explanation, given the many great inaccuracies contained in that story. Nevertheless, having said that, in view of the confusion and dangerous misunderstandings which this article could create in the minds of many Canadians on the language rights issue, as the minister mentioned, can the government affirm that in the event of patriation of the constitution, however achieved, the existing guarantees in the British North America Act for language rights will not be withdrawn or weakened in any way?

Mr. MacEachen: Mr. Speaker, that is clearly the policy of the government. That is the proposal that is contained in the draft proclamation which was tabled by the Prime Minister in the House. Therefore, there is no equivocation in replying positively to the hon. member's question.

Some hon. Members: Hear, hear!

DATE OF CONFERENCE WITH PREMIERS

Miss Flora MacDonald (Kingston and the Islands): Can the Acting Prime Minister advise if any date has been set for further constitutional discussions between the Prime Minister and the premiers as proposed by the premiers following the termination of their meeting in Toronto on October 2?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, no specific date has been set for a future discussion between the Prime Minister and the premiers of the provinces. I shall be tabling later today copies of correspondence between the Prime Minister and Premier Lougheed of Alberta who acted as chairman of the premiers' meeting on this question. In that correspondence it will be seen that there is an acceptance of a future meeting with the premiers, but no specific date has yet been set.

* * *

BUSINESS OF THE HOUSE

LEGISLATION LISTED AS INDICATION OF GOVERNMENT PRIORITIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Acting Prime Minister as well. Considering the message the people of Canada sent the government via two by-elections on Monday can the Acting Prime Minister possibly explain the priorities of the government as indicated in the 11 bills filed yesterday, almost all of which are housekeeping or include such gems as the Historic Sites and Monuments Act amendment and an act respecting diplomatic and consular privileges.

Some hon. Members: Oh, oh!

Mr. Broadbent: Are these the real priorities of the government?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the priorities of the government have been set forth in the Speech from the Throne.

Some hon. Members: Oh, oh!

Mr. MacEachen: The list of bills of which notice was given yesterday, of course, includes bills that will be brought forward, hopefully in the course of the session. Each of the bills, of course, does not carry the same priority. I hope that the hon. member realizes there are a number of extremely important bills in the group of which notice was given yesterday.

Mr. Broadbent: Mr. Speaker, the Acting Prime Minister knows that Speeches from the Throne have as much bearing on the actions of the government as quotations from the Old Testament.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Acting Prime Minister said that there are priority bills in the list. I looked at it with care and I found no more than two. I repeat, nine are housekeeping bills. Can the Acting Prime Minister explain to the House and through the House to the people of Canada why there is not one bill on unemployment, not one bill on housing, not one bill on energy, not one bill with anything of real substance?

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I can assure the hon. member that bills relating to the subjects that he has mentioned will be brought forward. I hope that when they do come forward within a relatively short time the hon. member will stand up and draw the attention of the House to the fact that we are meeting the priorities in the Speech from the Throne.

● (1420)

Mr. Broadbent: Will the Acting Prime Minister assure the House that the bills of substance to which he has alluded will be brought forward in time to provide a few more jobs at least for some of the 700,000 who are now unemployed before Christmas?

Mr. MacEachen: Yes, Mr. Speaker.

* * *

[*Translation*]

HOUSING

REQUEST FOR FUNDS FOR REHABILITATION PROGRAM AND THAT REGULATIONS FOR PROGRAM BE TABLED

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Considering that the funds earmarked for RRAP have already practically run out, would the minister advise the House if additional monies will be made available for this program this year or, at the very least at the beginning of next year, so that the rehabilitation of all those units may be carried out as soon as possible?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker. If I understood the hon. member correctly, his question refers to the rehabilitation and renewal program, which we call RRAP. Funds have been reallocated from other programs within our budget so that this program can continue to the end of this year and, of course, it will be renewed next year because of its high degree of success.

[*Translation*]

Mr. Laprise: A supplementary question, Mr. Speaker. Following the decision of the Department of Urban Affairs, the Central Mortgage and Housing Corporation set up regulations concerning this program. Would the minister table those regulations before the House so that hon. members may read them?

[*English*]

Mr. Danson: I can see no objection to that, Mr. Speaker.

* * *

LABOUR CONDITIONS

STRIKE OF CANADIAN PRESS EMPLOYEES—SUGGESTION MINISTER RECOMMEND ARBITRATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Labour. As a late report indicates that the hon. gentleman intends to meet with Canadian Press employers on Friday, would he confirm that this meeting will take place and will he tell the House whether he intends, also, to meet with the guild and the publishers? Further, does he intend to recommend that the sensible course of arbitration should take place immediately to end this long and costly dispute?

Hon. John C. Munro (Minister of Labour): I am happy to advise the hon. member that I am meeting with the committee representing the publishers on Friday. I do not anticipate meeting with the guild prior to that time because I have already met with them and I think they are aware of what I am doing; that meeting may well take place subsequent to my meeting with the publishers. The hon. member might agree with me that if I and my department are to try to mediate this dispute and attempt to resolve it I should not indicate at this stage what my own feelings are in the matter.

Mr. Hees: In view of what the minister has said, may I urge him very strongly, in the interests of fair play and of bringing this dispute to a quick end, that he should consider carefully and favourably the idea of introducing arbitration.

Mr. Munro (Hamilton East): I am happy about the hon. member's progressive attitude.

Oral Questions

PENITENTIARIES

KINGSTON—ALLEGED BOMB THREAT IF INMATE DEMANDS NOT MET

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Solicitor General? Having discussed this matter with the hon. member for Kingston and the Islands who is gravely concerned about affairs occurring in Kingston, may I ask whether the Solicitor General can indicate whether he has contacted penitentiary officials in Kingston with regard to a threat by a woman caller to a radio station to blow up a public institution if inmate demands were not met? If so, what action, if any, is being taken by the officials to ensure the security of the citizens of Kingston?

Hon. Francis Fox (Solicitor General): Mr. Speaker, this matter has been referred to the provincial authorities. So far as the question of inmate activities at Millhaven are concerned, I had a meeting with the regional director and with other regional directors yesterday afternoon and it is our intention to come back to a situation of normalization as soon as the situation allows it at Kingston.

Mr. Nielsen: A supplementary question, Mr. Speaker. The minister did not direct his reply to the action being taken to ensure the safety of the citizens of Kingston, which is concerning not only the hon. member for Kingston and the Islands but all of us. Can the minister say whether there has been any approach by the local police to the RCMP for assistance in investigating the incident or assisting them in any other way? In answering that, can the minister also say what are the inmates' demands and what response has been given to those demands by the authorities?

Mr. Fox: Mr. Speaker, as I indicated earlier, the provincial police in Ontario and the municipal police force have been made aware of the situation, and if they require the assistance of the RCMP in their investigations we will, of course, be pleased to provide same.

* * *

PERFORMING ARTS

POSSIBILITY SOME GOVERNMENT WORK GIVEN TO PRIVATE FILM MAKERS

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State. I know that some time ago he was quoted as saying that both the Progressive Conservative Party and the New Democratic Party are in trouble and that frankly one or the other would disappear. I hope that that is not the quality of insight that he brings to his department but I do want to congratulate him on his appointment.

The independent film producers have for some time been asking the government to delete sections 9 and 11 from the National Film Act. Since the government indicated in its Speech from the Throne that it has the intention of releasing some government work to the private sector, would the minister tell the House whether that will have top priority in this particular area, so that the film producers will have some competition?

[Mr. Munro (Hamilton East).]

Hon. John Roberts (Secretary of State): Mr. Speaker, so far as the second part of the hon. member's statement is concerned, we are considering that matter actively at the present time.

Mr. Friesen: A supplementary question, Mr. Speaker. May I ask the minister whether he will ensure that they will be able to compete in all areas for government contracts, not just for the bits and scraps that they have been getting up to this time?

Mr. Roberts: Mr. Speaker, it is not our intention to confine them to bits and scraps.

* * *

INDUSTRY

REDUCTION IN WORK ALLOTTED NOVA SCOTIA AEROSPACE COMPANIES UNDER AURORA PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and is with respect to the Aurora program, particularly the economic spin-off advantages. Has the minister any explanation as to why it is that the aerospace industry in the Atlantic provinces, specifically Nova Scotia, having been offered a $6 million part of that program over a six-year period, now in fact finds that their program is $600,000 over the same period of time?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of any such specific commitment. Evidently, I am not responsible for the allocation of contracts. I will inquire and report immediately to the hon. member.

* * *

[*English*]

SOCIAL SECURITY

RECIPROCITY OF PENSIONS BETWEEN CANADA AND CERTAIN COUNTRIES—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Health and Welfare. On October 13, as reported at page 19 of *Hansard*, in answer to a question from my colleague from Hamilton West, the minister said that the bill to negotiate reciprocity of pensions between Canada and several countries, including the United Kingdom, "is being drafted and I hope I will be able to table it in the House for first reading in the next few months". This is also the exact wording that he used over six months ago when he announced the plan. My question is: Has the minister made no progress at all in drafting this plan during the past six months?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, substantial progress has been made in that field in the past six months. The only problem is that we are unable to get the necessary time in the House to consider the bills concerned.

* * *

[*English*]

EXTERNAL AFFAIRS

POSSIBILITY OF JOINT CANADA-UNITED STATES MANAGEMENT OF FISHERIES RESOURCES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs. During the minister's meeting with United States officials in Washington on Friday last were any discussions held by him, or prior to his visit by his officials, or by fishery officials, on the possibility of establishing a joint Canada-U.S. fisheries management commission to manage stocks in all Canada-U.S. boundary areas? If so, would he be prepared to table the United States and Canadian proposals; and since the government has indicated that it will declare a 200 mile limit on January 1, 1977, or in approximately 73 days, was any agreement reached on the joint management of this resource?

● (1430)

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will try as briefly as I can to answer what is a very complex question. There were very detailed discussions between myself and the United States Secretary on this matter. Prior to my going to Washington there were also talks between officials and there have been follow-up talks which were held yesterday. They covered most of the questions the hon. member has raised in a general discussion fashion. As things stand at the moment, the Secretary and I have agreed that it would not be possible in the period between now and the issuing of our order in council, which must come at the end of October or shortly thereafter, to achieve a final and ultimate resolution of the various issues. What the officials are now seeking is some kind of interim arrangement that will permit Canada to proceed on or about January 1 with this 200-mile declaration and the United States, I believe, in March 1977.

In the meantime there will unquestionably be issues left unsolved. What we are seeking is an interim arrangement while discussions are proceeding toward what we hope will be a mutually satisfactory solution over time. However, the hon. member is very experienced in this matter and I think would agree with me that this is not something that is going to be settled in two or three months.

[*Translation*]

INCARCERATION OF ANDRÉE LECLERC IN INDIA—REQUEST FOR GOVERNMENT ACTION

Mr. Raynald Guay (Lévis): Mr. Speaker, I am directing another question to the Minister of External Affairs.

Following a telegram which I recently received from the family of Marie-Andrée Leclerc from my constituency who has been jailed in New Delhi in India since July 9 without any charge being laid against her, I would like to know whether the Canadian government has contacted the Indian authorities. If so, what happened? If not, I would like it to intervene as soon as possible for the sake of freedom and basic human rights and to enable this young Canadian to obtain justice.

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is regrettable, of course, that no more rapid action has been undertaken in the case of this young lady. However, I am advised that our high commissioner in New Delhi has now been officially informed that Miss Leclerc is being detained under what is known as the Maintenance of Internal Security Act. The reason for this is that the crimes she is alleged to have committed occurred both in India and abroad. The allegations regarding the criminal acts are under investigation. We have been advised that Indian authorities have decided to keep Miss Leclerc under judicial remand until the investigations have been completed, at which time any justifiable charges will be laid. This is the maximum amount of information we have been able to obtain to date.

* * *

COMBINES

ALLEGATION OF COLLUSION BETWEEN OTTAWA "JOURNAL" AND "CITIZEN"—REQUEST FOR INVESTIGATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the new Minister of Consumer and Corporate Affairs. In view of the fact that the people of the city of Ottawa have been denied any daily English-language newspaper at least twice in the last week, on Friday and again on Tuesday, because of a pact between the publishers of the Ottawa *Citizen* and the Ottawa *Journal* that one will not publish when the other cannot publish, will the minister investigate to see whether this is a violation of the Combines Investigation Act, since it appears to be a blatant example of non-competitive collusion between two corporate giants?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my constitutional responsibility simply to bring the hon. member's question to the attention of the director of Combines Investigation. That is all I can do.

Mr. Nystrom: Mr. Speaker, if the minister finds that this kind of policy is not covered by the act as drafted, will he assure the House that when he brings in new legislation soon a provision will be included in the act that will cover policies of this sort that are taken against the community interest and are

hard on the people of Ottawa and the small business community in this city?

Mr. Abbott: The hon. member's point will certainly be considered.

* * *

MULTICULTURALISM

DATE OF APPOINTMENT OF CHAIRMAN OF CONSULTATION COUNCIL

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Minister of Labour, the minister in charge of the demise of the multicultural department. Will he please advise the House when he plans to name the chairman of the Multicultural Consultation Council? Do we have to wait until 1978, and why is he waiting so long?

Hon. John C. Munro (Minister of Labour): Mr. Speaker, the hon. member is obviously more excessive in his language than I would have anticipated, having already advised him that a prospective chairman is seeing me tomorrow when we are going to talk about the matter.

Mr. Paproski: You mean only one guy has applied?

An hon. Member: You want a job, Steve?

Mr. Paproski: You have to be out of your mind.

Mr. Munro (Hamilton East): Mr. Speaker, I trust that the hon. member, knowing that the man in question comes from Edmonton, would not want any more applicants.

Mr. Paproski: Mr. Speaker, I would just like to advise the minister that there are Polish, Italians, Portuguese, German and others besides Ukrainians applying for the job.

Mr. Munro (Hamilton East): Is the hon. member applying?

Mr. Paproski: If the price is right.

Some hon. Members: Oh, oh!

* * *

SEARCH AND RESCUE

REASON FOR DELAY IN ANSWERING DISTRESS CALL OF DUTCH FREIGHTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Acting Minister of National Defence, notice of which I have given. Yesterday at approximately 10 a.m. the air-sea rescue centre in Halifax received a distress call from a Dutch freighter 60 miles off the southeast coast of Newfoundland. Some five hours later a helicopter arrived on the scene. In the interim 13 of these seamen had died from exposure. Why did it take five hours to get a rescue helicopter on the scene, since it would appear that the delay was a major factor in the loss of these 13 lives?

[Mr. Nystrom.]

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, I think some of the facts of this tragic case should be cleared up. An aircraft from the base in the maritimes was off the ground within 18 minutes of receiving the alert, and was on the scene within two hours of receiving the alert. In addition a Labrador helicopter was there shortly after that and able to save one man. Unfortunately, someone had ordered the ship to be abandoned in an 80-mile an hour gale with 40-foot waves—a tragic situation. We were able to rescue one man, but unfortunately in that time frame and those waters others are presumed lost. The armed forces searched with a high degree of efficiency, as is usual to them. They were off the ground and in the area as quickly as it was humanly possible to accomplish such a feat.

REQUEST FOR IMPROVEMENT IN OPERATION OF SERVICE

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the tragic and urgent nature of this matter I would direct my supplementary question to the Minister of Transport who shares responsibility in this area. On September 29 a Newfoundland trawler went aground in the same area, and were it not for the bravery and initiative of the residents on shore 14 Newfoundland fishermen would have lost their lives as there was no helicopter in the area. My question to the minister is, how many more people have to die before you will do something about it?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

[*Translation*]

FISHERIES

REQUEST FOR MEASURES TO ENABLE "HOWAY" TO RESUME PATROLS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is directed to the Minister of the Environment whom I wish to congratulate as he is about to take on greater responsibilities.

In view of the importance of our patrolling efficiently our coastal waters, is the minister aware that the *Howay,* the fishing patrol ship on the west coast, is still standing idle in the port of Victoria for total lack of funds to operate and, if so, what does he intend to do to get it back into action and ensure our presence in those waters?

Hon. Roméo LeBlanc (Minister of the Environment): Mr. Speaker, I had the opportunity to speak with the crew of the *Howay* some time in August. I found them eager to take over all patrol operations to meet our obligations. That vessel is affected by a lack of funds, which situation is general in view of the extraordinary expenses incurred in the last two or three

years in the field of vessel operations. We are trying to use the funds as best as we can to meet our needs. There is no doubt that because seasonal fishing activities have slowed down in some areas off the Pacific coast the need for patrols was less severe. Still, five days ago I authorized the transfer of funds, within my department, to enable the use of those vessels; perhaps not that of the *Howay* immediately, but at least in the weeks to come, and I am doing everything I can to give that priority the importance it deserves.

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

In light of the answer of the minister, I should very much like to know why that vessel is still in port, why it is not on patrol?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, it is not unusual for some of our ships to lie at anchor in the port.

● (1440)

[*English*]

* * *

SEARCH AND RESCUE

DATE OF TABLING REPORT OF TASK FORCE—REQUEST FOR IMPROVEMENT IN OPERATION OF SERVICE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is supplementary to that asked by the hon. member for St. John's East of the Minister of Transport. In view of the fact that there may be a recurrence of the epidemic of loss of lives as a result of the lack of capability of the Canadian Coast Guard and the Department of National Defence, I wonder whether the minister would now be able to table the report of the committee of the Coast Guard task force and realize that again we will have an epidemic of loss of lives because of the lack of capability. What action does he intend to take in the immediate future so that we might avoid further occurrences as the fishing season opens and as the weather gets worse.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I must say I appreciate the tone of that question compared to the completely impossible attitude of taking advantage of the serious situation shown by the hon. member for St. John's East.

Mr. Speaker, I answered that question about the imminent announcement of the additional facilities in the area of the Coast Guard, but of course all hon. members who look at the question reasonably will understand that in cases of disaster at sea we will always count on the assistance of all existing vessels and people in the area, private vessels always forming the most likely and immediately on the scene assistance. The attempt to make it sound as though the Coast Guard facilities in a particular place should always be exactly there awaiting the accident is of course a completely impossible suggestion. Notwithstanding that we have said that we want additional facilities. We are going to be getting the additional facilities and that announcement will take place soon.

Mr. Marshall: Mr. Speaker, in view of the reasonable answer would the minister assure the House and the people of Newfoundland that there will be a reasonable deployment of the air, sea and rescue forces in Newfoundland, which is closer to the scene where all the unfortunate incidents are occurring, and would he take immediate action to deploy part of the air-sea rescue squadron, or the capability, to the province of Newfoundland.

Mr. Lang: Mr. Speaker, I can assure the hon. member that it will be our intention to deploy the available forces in the places where they are most useful and that the analysis of where the problems arise and where the services are deployed can be made once the announcement is made.

* * *

ANTI-INFLATION BOARD

REASON FOR DELAY IN MONITORING ACTIVITIES OF MARKETING BOARDS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. Could he tell the House what is the current status of efforts by the Anti-Inflation Board to get provincial and federal marketing boards to agree to co-operate with it and allow the Anti-Inflation Board's efforts to monitor their activities to go on pursuant to indications given by the government a month ago that the board would be doing this. Further, could he say why there has been what appears to be such a delay in getting this useful work underway?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I will be glad to press the inquiry with the Chairman of the Anti-Inflation Board.

* * *

TRANSPORT

TRANSCONTINENTAL PASSENGER TRAIN SERVICE—SUGGESTED FREEDOM FOR COMMISSION TO MAKE REPORT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that the Consumers Association of Canada, the Canadian Railway Labour Association and Transport 2000 have today publicly stated that the parallel consultative study of the Ministry of Transport might interfere with and undermine the ability of the Canadian Transport Commission to enunciate a preferred plan for transcontinental passenger trains that would be in line with the spirit exhibited in the summary of findings from 15 hearings in 14 cities, between Montreal and Vancou-

ver, will the minister assure the House that neither he nor his ministry will interfere with the CTC by coming out with the minister's own report resulting from the parallel study and thus ignoring the 195 briefs submitted to the CTC and to influence the report of the CTC itself. Will the minister ensure that the CTC is completely free to ignore any or all of the parallel study if it is so inclined.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, there is certainly no need for anyone to fear any interference with the CTC's move toward a preferred plan and a final recommendation to us on all transportation services by rail. It was, of course, our purpose in setting this forward to have good rail service developed in Canada in a very positive way. That was stated in the January 29 statement. I think it is wrong to refer, in the exact terms used, to parallel studies as though they are competing. There certainly is no intention to preempt or move ahead of the CTC in its work.

What our work has been about has been the preparation of the ground so that after the necessary decisions are taken we will have as full an appreciation as possible of the provincial positions in relation to their interest in services and the kind of services that will complement rail services. In addition, we also will have as full as possible knowledge of the problems which may be created for the working men involved in the operation of the trains. Our objective after the CTC recommendation is to follow with as swift an action as possible so that we will have improved quality of rail transportation service where it is continued in Canada.

CONSULTATION WITH LABOUR ON RAILWAY PASSENGER TRAIN POLICY

Mr. Les Benjamin (Regina-Lake Centre): I have a supplementary, Mr. Speaker. The minister in his announcement earlier in the year said that the parallel study would consult with the carrier, labour, the provinces and others. I am informed by railway labour that they have not been consulted. If the minister has full confidence in the CTC and wants to reassure all concerned that the parallel study is not designed to get the kind of report that he and his ministry want, will the minister request the CTC, after it has received the parallel study by MOT, to hold further hearings at least in Ottawa at which interested parties may examine, comment upon and if necessary refute the parallel study by Transport Canada.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am a little surprise that the hon. member is now in his second question suggesting that I interfered with the procedures of the CTC. The CTC is fully able to take care of its own procedures. He will notice that the CLC compliments the Canadian Transport Commission on the manner in which it summarizes the proceedings. I may say also to the hon. member that he should check with his sources again, because they will confirm that there have been meetings between my officials and representatives of labour. I do not know whether the single labour party to whom he referred was involved but certainly there were representatives involved.

[Mr. Benjamin.]

[*Translation*]

AGRICULTURE

MILK—POSSIBILITY OF FARMERS BEING CHARGED FOR NEW QUOTAS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture.

First of all I should like to thank him on behalf of the producers in my region for the improvements which have been made under the release we received yesterday.

Now, may I ask the minister whether the allocation of these new quotas will be made free of charge or whether producers will have to pay a certain amount of money to obtain them?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, my understanding is that the whole distribution of the quotas will have to be worked out with the provincial marketing boards concerned. It is not our intention, if it can be worked by any means, that they would have to pay for it. We do not want them to have to pay a high price. If the boards who administer that quota within a province figure that the Producers should pay a nominal fee, that will be up to them.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

Considering the importance of this issue and the fact that a lot has been written about it over the past few months, may I ask the minister whether he will take the necessary steps to ensure that the allocation of these new quotas is made on the basis of the criteria mentioned in his release, criteria of which I fully approve.

[*English*]

Mr. Whelan: Mr. Speaker, that is the whole intent of the program.

* * *

COMMUNICATIONS

POSSIBLE CHANGE IN POLICY OF DELETING UNITED STATES COMMERCIALS FROM CABLE TELEVISION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Communications. It arises out of the exchange on Monday between my colleague from Annapolis Valley and the Secretary of State for External Affairs. In light of the fact that the Secretary of State for External Affairs hinted last Friday following his meeting with Secretary Kissinger that the piratical policy of the CRTC in requiring Canadian cable companies to delete commercials from United States programming might be ended, can the minister tell the House whether that is, in fact, the government's intention and, if so, what policies, if any, it intends to substitute for the deletions policy?

● (1450)

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I can hardly agree with the view of the hon. member that these practices are piratical because they are engaged in with the knowledge and acquiescence of everyone concerned. Bill C-58 was an attempt to deal with that problem in part, but hon. members opposite were quite reluctant to support that bill. However, we are trying to deal with it because it is important to protect the broadcasting industry, which is very fragile in this country. The Americans have requested a delay in the implementation of the commercial deletion requirement. That request is being considered and is the object of many discussions between the CRTC, FCC and those concerned.

SUGGESTED ELIMINATION OF POWER OF BROADCASTING COMMISSION TO MAKE POLICY DECISIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): In view of the fact that in a democracy major policy decisions which will have a tremendous impact upon our relations with our neighbours, upon our cultural development and upon the ability of our citizens to see and hear what they would like should be made by elected representatives and not by an appointed body which is virtually responsible to no one for its actions, does the government intend to introduce amendments to the Broadcasting Act which would curtail the ability of the CRTC to make these policy decisions without the approval of parliament?

Hon. Jeanne Sauvé (Minister of Communications): The Minister of Communications takes full responsibility for the CRTC; therefore, I think it is quite unfair and unjustified to say that the CRTC is answerable to no one. The CRTC should be free from input at the political level to go about its regulatory functions, and nothing is going to be changed in this respect. However, it is not improper for the Minister of Communications to discuss in a general manner questions of policy, and this is done from time to time.

The legislation which I will be introducing in this House during this session will also formalize the ability of the Minister of Communications to give policy directions to the CRTC, and I think the hon. member will find that that will improve the situation with regard to this question.

* * *

HOUSING

POLICY TO MEET NEEDS OF NATIVES—REQUEST FOR CLARIFICATION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of State for Urban Affairs. I gave the minister notice of this question in the fear that he might have forgotten that he has a mandate in the area of native and rural housing.

Can the minister tell this House today whether he has a mandate from the cabinet to develop a policy which would address itself to the real needs of native people in urban centres in this country in their attempts to obtain some form of shelter, and if he has such a mandate, when will he announce a policy?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, certainly there is a mandate with regard to a rural and native housing program. It applies to all low income Canadians in rural areas. We also have a mandate for urban dwellers, but not specifically for natives. It is for all low income Canadians. We do not discriminate between native and non-native Canadians.

Having said that, we are making special efforts, and on a crash basis, to work with native groups to improve their ability to acquire housing for their own purposes. A special work is now going on with groups in Winnipeg and in other parts of the country, and CMHC has instructions to proceed with this on a high priority basis. The work is with the native peoples themselves so that they can help themselves, for that is what they wish to do. I believe I have their confidence in this, but I am as impatient as they are.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I would like to pose a question to the Minister of Manpower and Immigration with reference to the amount of money allocated under this year's LIP to Cape Breton Island. I wrote to the minister some time ago, but in view of the urgency, I would like to raise this question at this time.

In view of the fact that the allocation for each riding, including the riding of the government House leader, as compared with the amounts allocated last year, has been slashed by 50 per cent and more, and in view of the fact that the unemployment rate there is between 25 per cent and 30 per cent at the moment—and, unfortunately this winter it will get worse—would the minister do his utmost to have this year's funding raised to at least the apportionment of last year?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I am pleased to have the support of the hon. member for a fantastic program. Perhaps he can convince his colleagues that we should not always be chastised for spending more money at the government level when we have a good program. When we have to do some cutting, we get no credit for that, but frankly, nothing but blame. I think it is an excellent program. It has done a fantastic job, and I appreciate the support of the hon. member for this program.

An hon. Member: Answer the question.

Mr. Muir: I cannot say I appreciate the minister's verbiage because he gave no answer to my question. However, would the minister advise who the idiots were who devised the

formula which was used for the apportionment? Surely, neither he nor his predecessor would want to take credit for that. When can we get some more money?

Mr. Cullen: I can say that the initiative did not come from politicians.

* * *

[*Translation*]

AIR CANADA

THE EXPANSION POLICY OF THE COMPANY—REQUEST FOR INQUIRY

Mr. Serge Joyal (Maisonneuve-Rosemont): Mr. Speaker, I have a question for the Minister of Transport.

Given the fact that only 128 of the 1,600 pilots employed by Air Canada are French-speaking and also that last week Air Canada decreased by 46 the number of its pilots based at Montreal while the number of positions was increased by 42 in Toronto for a total of 717, can the minister tell the House if he is prepared to investigate this matter to determine what reasons have led Air Canada to proceed to such a transfer from Montreal to Toronto and, at the same time, inform us about the conditions and objectives which the expansion program and the recruiting and hiring policy of Air Canada Corporation are aimed at serving?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, I will be glad to look into these matters. I had not been aware of any major new transfer policy, but I will inquire and report.

* * *

[*Translation*]

SPORTS

INQUIRY IF POLICY WILL BE ANNOUNCED SOON

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport, but first let me congratulate her for her new portfolio. I would also take the opportunity to offer her my most sincere cooperation.

The question I want to ask her is the following: In view of her new responsibilities and of the government's intent as stated in the Speech of the Throne to allow additional funds for training Canadian athletes, will the minister announce to the House in the near future whether the government really intends to bring forward a national policy on amateur sport and fitness and, if so, with a view to achieving such a policy, does the minister intend to arrange a federal-provincial conference to make this policy as successful as Canadians expect it to be?

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I thank the hon. gentleman for his welcome to this branch. In the first instance he asked about a national sport policy. The fitness and amateur sport branch is working on such a policy at this time, but as I am sure the hon. member can imagine, that this is a rather complicated operation with which I shall be dealing in the very near future.

As to a federal-provincial conference, it is my intention first to go to each of the provincial capitals to visit each of the ministers of education and recreation and others involved in amateur sport so that I can learn the philosophy of the provinces separately before I consider embarking upon a federal-provincial conference.

* * *

CUSTOMS

DELAYS AT BORDER CROSSING AT DOUGLAS, BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I would like to ask a question of the Minister of National Revenue. In view of the many complaints and delays of up to three hours, which have become commonplace for motorists returning to Canada from Blaine, Washington, at the border crossing at Douglas, British Columbia, I would like to ask whether the minister will conduct an immediate investigation into the gross understaffing which has left over half the gates unmanned at peak traffic periods and caused these wasteful delays.

[*Translation*]

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I have already answered a host of letters of complaints from Canadian citizens relating to traffic tie-ups on the border at Douglas, as suggested by the hon. member. I explained in these letters that some strikes in British Columbia forced citizens of that province to buy in the United States the food which is necessary to everyday life. Of course, we were not informed by the strikers. This has created a stranglehold in our services which we are now beefing up with supplementary staff for the next social crises which could force people to make such displacements to the United States.

* * *

● (1500)

[*English*]

AGRICULTURE

BEEF—ALLEGED FAILURE TO PUT QUOTAS ON IMPORTS FROM OCEANIC COUNTRIES

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is directed to the Minister of Agriculture. I should like to know if the minister would concede that the failure to put quotas on beef imports from Oceanic countries was a direct ploy to give the indication that the Anti-Inflation Program was working?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not understand the question because quotas are already on the Oceanic countries.

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VETERANS AFFAIRS

PRISONER OF WAR BENEFITS—REQUEST FOR PROGRESS REPORT ON SETTLEMENT OF APPLICATIONS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, it is always nice to break the ice of a new session, particularly after 80 tries. My question is directed to the Minister of Veterans Affairs and such are the circumstances I have not only given him notice of it once, I have given him notice twice. Could the minister advise of the likely date that all present applications by world war II services and merchant navy personnel for the prisoner of war benefits approved a few months ago will have been decided upon? Could the minister also advise approximately how many claims remain to be processed?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, the claims received to date amount to approximately 7,000. As of last September 4,500 were processed. We anticipate that all claims will be settled or looked at by the end of November.

Mr. Speaker: Order, please. Presenting reports of special committees.

Mr. Chrétien: Mr. Speaker, a point of order.

Mr. Cossitt: A question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Leeds on a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. COSSITT—REMARKS OF MINISTER OF INDUSTRY, TRADE AND COMMERCE IN YESTERDAY'S DEBATE

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege resulting from remarks made in this House yesterday by the Minister of Industry, Trade and Commerce (Mr. Chrétien) concerning me. They were remarks not just merely inaccurate but, instead, gross distortions of the facts and the truth, and they cast reflections upon my conduct as a member of this House which I am certainly not prepared, nor do I think I should be, to tolerate. They also cast uncalled for and unjustified aspersions on all members of the official opposition in this House.

I should like to refer to page 212 of yesterday's *Hansard* and to paraphrase as briefly as possible the objectionable words used by the minister as he addressed himself to comments made by the speaker who had preceded him in the debate, namely, the right hon. member for Prince Albert (Mr. Diefenbaker). The minister said he was really shocked that I had dared to criticize Her Majesty the Queen. He said he did not know why, but the hon. member for Leeds dared to criticize the Queen after she had performed magnificently in Canada during the Olympic Games.

Mr. Chrétien: Hear, hear!

Some hon. Members: Hear, hear!

Mr. Cossitt: He also said he hoped that some day the right hon. member for Prince Albert would sock it to the hon. member for Leeds for his "discourtesy" to the Queen.

Some hon. Members: Hear, hear!

Mr. Cossitt: The minister also said that Liberal members would never dare do such a thing, and that he was surprised that in an effort to cover up, the right hon. member for Prince Albert would try to appease the monarchists in Canada because some people on his side were giving the Queen a hard time.

Mr. Speaker, I have never at any time criticized Her Majesty Queen Elizabeth II.

Some hon. Members: Hear, hear!

Mr. Cossitt: I have never at any time shown discourtesy to the Queen, nor do I ever recall at any time any member of the official opposition in this House—to use the words that the minister used—"giving the Queen a hard time." That is a thing, incidentally, that I cannot say with such certainty about those opposite.

On July 29—

Mr. Speaker: Order, please. The hon. member for Leeds (Mr. Cossitt) raises what could certainly promise to be a scintillating disagreement with the minister, but it is essentially a disagreement. I waited to see if the hon. member was about to raise a question of privilege which might in any way raise unparliamentary language or an allegation that was in any way contrary to precedents and parliamentary practices. If there is nothing more than disagreement regarding the interpretation of the minister's words, then the hon. member has a matter of debate and not a question of privilege. If the hon. member has a question of privilege, would he please develop it.

Mr. Cossitt: Mr. Speaker, in view of what the minister said, I feel I should make one thing very clear, namely, that on July 29 this year I issued a statement, and as part of its contents are what the minister is basing his remarks upon I feel it only right and fair that I be permitted to read the pertinent extracts of that statement which clearly show what this situation is.

An hon. Member: No.

Mr. Cossitt: Mr. Speaker, I feel—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Cossitt: Mr. Speaker—

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The debate in which we will shortly be engaged and in which the minister was speaking last night is a debate upon the Speech from the Throne and the address in reply thereto. It is a debate in which the rules of relevance are customarily relaxed to the point that members are entitled to speak on a rather wide variety of subjects. If the hon. member for Leeds has a disagreement with the minister, which he obviously has, and wishes to expound his side of the story or his version of what the hon. minister was referring to in debate, he is welcome to enter the debate and do so.

Whether the hon. member has a question of privilege on the remarks the minister made last night is a separate question altogether. I have listened to the hon. member's remarks, and he has not in any way attempted to develop a question of privilege within the classic definition. He has a question of dispute and disagreement with the minister, however, and I invite him, as I am sure all hon. members do, to enter the debate and make his point that way.

Mr. Cossitt: Mr. Speaker—

An hon. Member: Sit down.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cossitt: Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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HOUSE OF COMMONS

VACANCY

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, the Hon. J. A. Angus MacLean, P.C., member for the electoral district of Malpeque, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer to issue a new writ of election for the said electoral district.

[Mr. Cossitt.]

• (1510)

STATISTICS CANADA

ALLEGED BREACHES OF CONFIDENTIALITY BY EMPLOYEES—GOVERNMENT POSITION

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, last Monday the hon. member for Central Nova asked me a question. I was ready to reply yesterday, but he was not here. With the permission of the House, may I reply to his question now? It is not too long, but touches an important issue.

Mr. Speaker: Order, please. Such a response can only be made at this time with the unanimous consent of the House. It cannot be followed with a supplementary question. Does the House agree?

Some hon. Members: Agreed.

Mr. Chrétien: The chief statistician has advised me that one case of possible breach of the confidentiality provisions of the Statistics Act has been investigated by the RCMP in recent years. The investigation was conducted in 1974. The investigation concluded that there was no breach of confidentiality. Similarly, the investigation concluded that there was no evidence to support prosecution under the Criminal Code.

The RCMP report did suggest the existence of a conflict of interest situation and unethical professional conduct. This unethical conduct involved moonlighting on the part of four employees who were offering consulting services which consisted of the preparation and sale of tables of non-confidential, publicly available statistics. This moonlighting was uncovered in its initial stage. Appropriate disciplinary action was taken by Statistics Canada management against three of the employees. The involvement of the fourth employee was so limited as to not warrant disciplinary action. If the hon. member has more information, he should convey it to the RCMP.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. May I say that we are grateful to the minister for answering the hon. member's question today. The minister acted with promptitude. However, I would not want any minister opposite to think that on every occasion we shall grant unanimous consent for making a statement which ought to be made by a minister on motions, by virtue of the substance of the matter. I wish to indicate through you, sir, to the ministry that the procedure of motions is important, as is the right to ask supplementary questions. I would not want, through this practice, to deny the House the use of such procedure.

Mr. Chrétien: Mr. Speaker, I agree entirely. I saw the hon. member for Central Nova rising to his feet for recognition. I had agreed to reply to him. I had agreed to convey right away the information sought, in order to avoid any delay in answering.

Mr. MacKay: Mr. Speaker, I thank the minister for his answer which arose from my earlier question. I wonder if I

could address one more question to him. Would that be appropriate?

Mr. Baker (Grenville-Carleton): Why not?

Mr. Speaker: Order, please. We face a serious difficulty in this situation. Frequently, ministers, I think in good faith, or often in good faith—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: —indicate that although they do not have immediately available information sought by way of a question, they will undertake to return to the House at the earliest moment with the information. If they do this on the following day, the Chair is put in a difficult position. Having recognized the original questioner on the previous day, the Chair faces pressure from other members who also want to rise. This difficulty is not capable of easy solution. Although we try our best to cope with the situation, I do not think we should embark upon a question period every time a minister attempts to do what the minister has done.

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a question of privilege. House rule 35 in the Standing Orders reads:

No member shall speak disrespectfully of Her Majesty, nor of any of the Royal Family, nor of His Excellency or the person administering the Government of Canada—

Some hon. Members: Oh, oh!

Mr. Cossitt: I think, since the statement has been made in this House that I did that very thing, I should be permitted to say to this House what I really did say. Having consulted the Chair for advice prior to this sitting, I understood it would be in order to say what I really did say and quote verbatim. I think any other course would be most unfair—

Mr. Speaker: Order, please. The hon. member surely knows that there is no allegation that the hon. member in this House, during the course of debate, made any allegation which was disrespectful to Her Majesty. That is the content of the rule. I think the hon. member should clearly understand that if he proposes to seek the floor on a question of privilege, he ought to develop a case for a question of privilege which comes within the classic definition. If he, on the other hand, raises a question of disagreement, or one for debate, as he has, he is welcome to enter the debate and raise his point. There is no appeal from rulings of the Chair. I made the ruling, definitive and clear, on the point. I do not think the hon. member ought to press it further.

Mr. Cossitt: Mr. Speaker, it would be most unfair to leave the impression—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cossitt: Mr. Speaker, surely I can say—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cossitt: Mr. Speaker, in the name of fairness, it is my democratic right to be heard. I don't know why I should not be heard under this rule—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Cossitt: Mr. Speaker, I am rising to speak under this rule—

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Cossitt: Mr. Speaker—

Mr. Speaker: Order, please.

* * *

THE CONSTITUTION

TABLING OF CORRESPONDENCE BETWEEN PRIME MINISTER AND PREMIER OF ALBERTA

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as indicated, I should like to table correspondence between the Prime Minister and Premier Lougheed on the subject of the patriation of the constitution.

* * *

FINANCE

TABLING OF WHITE PAPER ON BANKING LEGISLATION

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I wish to table copies, in both official languages, of the white paper on Canadian banking legislation.

* * *

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Tuesday, October 19, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. John Wise (p. 220).

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, yesterday, when I began speaking in this debate I had the dubious honour of following the Minister of Agriculture (Mr. Whelan) who had put up an incredible performance in this House. His performance last night put me in mind of the Russian parliamentary delegation which was present in our gallery earlier

this afternoon. Having reviewed the remarks of the Minister of Agriculture, it seems to me that his only appropriate comment was to this effect: if he were in Russia, he would be awarded a medal. I do not quite know how to take that remark, except that if he were prepared to go to Russia I would be prepared to cast a medal—to make sure he goes over.

I was complimenting the mover and seconder of the motion. I have come to know the seconder reasonably well. Although so far he is the youngest member ever to have been elected to the House, I notice he has aged considerably in trying to support the contents of the vacuous document we are now debating. I extend to him my congratulations.

For many of us in this House, yesterday was day of particular consequence. I am referring to our colleague who resigned his seat, effective midnight yesterday, the previous member for Malpeque, the Hon. J. Angus MacLean. I join in the expressions of tribute to him. We have always considered an indication of Mr. MacLean's superior distinction the fact that he married a Saskatoon girl, who has been with him throughout his years in Ottawa and has been a wonderful helpmate.

Mr. Goodale: I will accept that.

Mr. Hnatyshyn: I congratulate the hon. member for London East (Mr. Turner) and the hon. member for Glengarry-Prescott-Russell (Mr. Ethier) for being appointed to their present positions. I look forward to seeing them display the same impartiality and competence as was displayed by our late colleague, Albanie Morin, who we all miss greatly.

I was amazed to note, when the by-election results of the two constituencies recently contested at the federal level were made known during the course of the present debate, how apologists on the government side attempted to explain the results. We in the Conservative party are magnanimous in victory. We will not sit back and take for granted last Monday's victorious results. We know that victories down the line will mean ultimate victory in 1978.

● (1520)

I see my good friend, the hon. member for Scarborough West (Mr. Martin) in the chamber. I was very interested in his speech. It was what I call a traditional Liberal speech; that is to say, the idea is to try to convince people that black is white. The hon. member for Scarborough West and the hon. member for York East (Mr. Collenette) both made rather interesting speeches, but they were in fact apologists for this government.

There are a number of myths that have been perpetrated by the Liberals and by the government with regard to not only these by-elections but the role of the Liberal party today. The Prime Minister (Mr. Trudeau) had a soul-baring in Toronto in which he in effect discussed at some length and with some candour the difficulties facing Canada today. Unfortunately, I am inclined to agree with the ever-growing number of people in Canada who interpret the Prime Minister's remarks about difficulties in Canada as being confused about the difficulties of the Liberal party. This has been the case as long as I have been observing the political scene in Canada. Liberal governments from the time of Mackenzie King have tended to regard the Canadian future and well-being as "if it is okay for the Liberal party, it is okay for Canada."

It is rather unfortunate that an attempt is being made to read into the results of the by-elections some sort of apology for the government, saying that the only reason the Conservative party had any success is that there is some sort of English backlash. I cannot think of anything more foolish or foolhardy for the government than continuing that course of action. If we look at the results of the by-elections, particularly in Ottawa-Carleton, we see that the results substantiate that there was not an English backlash. In Cumberland township, for example, where the home polls of the Liberal candidate were located, out of 18 polls the Conservative candidate won no less than 10, and the Liberal 8. These facts must be put on the record to demonstrate that in the case of the by-elections last Monday, what bound the people together was not a backlash one way or another but a common bond of dislike for the government of the day.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: It is even more incredible to contemplate those who speak in support of the government. It is alleged that there is some sort of difficulty with regard to the unity of our country. As far as this party is concerned, and in particular our distinguished Francophone members, there is a unity that the Liberal party could well emulate. This party has a sense of unity and a degree of competence much ahead of the government party.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The Liberals are attempting to perpetrate the myth that they are the only party with the competence to govern.

Mr. Martin: That is right.

Mr. Hnatyshyn: I would expect the hon. member for Scarborough West to agree, because his future depends on it. However, if we are going to look at competence, we should look at the length of the last session of parliament, the longest in the history of confederation. The incompetence of the government was tangibly demonstrated when, even with a majority, they did not bring forward any sensible body of legislation. They could not get it through. It was their incompetence which caused that session to last as long as it did. It is something that is very important, because the Liberal party is now being universally rejected by the people of Canada.

Looking at the Speech from the Throne, it is fair to say that that document is a continuation of the soul-baring of the Prime Minister.

Mr. Oberle: A *mea culpa.*

Mr. Hnatyshyn: My good friend, the hon. member for Prince George-Peace River (Mr. Oberle) says that it is a *mea*

culpa, if a document can be described in that way. If confession is good for the soul, this document is very timely. We had a philosophical approach to the very serious problems as the government saw them. We had an admission of the fact that the government has not dealt with those problems as they ought to have done, that they would try to mend their ways and act in accordance with the demands and requirements of the people of Canada.

After bringing forward that document, at the first opportunity for the government to bring forward a slate of bills to indicate the kind of leadership they say they are going to give they bring in a list of legislation that was referred to in the question period today as a bit of a joke. If this country is in the difficult straits that are indicated in the Speech from the Throne, why lead off the list of legislation that has to receive immediate attention by this House with a bill relating to Historic Sites and Monuments Act amendments? That is an indication of the paucity of legislation and ideas of this government. When I think of monuments, I think of something that stands still. When I think of something standing still, I think of this government. Therefore, it probably is appropriate for this government to bring in Bill C-2.

Yesterday the Minister of Agriculture spent a lot of time talking about his wonderful record. He is a modest fellow. Every time he visits my constituency he converts more and more people. Unfortunately, for him, he converts them from the Liberal party to other parties. The Minister talked about the absolute lack in the Speech from the Throne of any meaningful reference to agriculture. The Speech from the Throne is supposed to be an indication of the priorities that a government places on the legislation to be dealt with in a session. Therefore, the amendment of my colleague, the hon. member for Elgin (Mr. Wise), seconded by the hon. member for Joliette (Mr. La Salle), really hit the nail on the head. It points out that this government, according to legislation which the Speech from the Throne declares it will bring forward, has absolutely no interest in the agricultural industry of this country.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The only legislation the Minister of Agriculture talked about during the course of his speech was a bill respecting advance payments for crops, which apparently he will be introducing within the next week or so. It is timely to remember that when this advance concept was brought in by a Conservative government, it was subjected by ridicule by those who occupy the treasury benches today and their supporters. At that time such a scheme was regarded by members opposite as being unmanageable and it was criticized accordingly. Now, in 1976, we find the government grasping this legislation to its bosom and putting it forward as its sole contribution to assisting the agricultural community, and extending the principle to one or two other groups.

● (1530)

The people of western Canada have reacted to the Speech from the Throne as one which does virtually nothing for the average person out there.

An hon. Member: Nonsense.

Mr. Hnatyshyn: In the west today there is great apprehension concerning the future of agriculture in Saskatchewan. The Minister of Agriculture is a great joker. He has said that things were never better for the farmer, that the farmer never had it so good, the implication being that he need do nothing for them. The fact is that serious problems are facing farmers today, particularly those in western Canada. We are all grateful for the bumper crop this year, as well as for the high grade of the yield, but situations of this type often cover up serious, long term difficulties. Crops may be better, but everyone who is familiar with western Canada and, particularly, with Saskatchewan knows that costs have been rising while prices have been falling.

The cost of farming operations has risen dramatically over the last three or four years. This is all right when you have a bumper crop. It is all right when prices are high. But the cost of machinery and pesticides continues to rise. As I say, costs have risen dramatically. Five years ago, the cost of starting a grain farm of average size was in the vicinity of $50,000 to $60,000. Today, in order to get into business something like $150,000 is needed. How many people in Canada realize that an investment of this magnitude is involved? How many appreciate the return which is necessary in order to support it? Today, people are prepared to pay up to $500 per acre for better quality land. The Minister of Agriculture would do well to consider these things when assessing the situation in the west.

I am glad to see the hon. member for Regina-Lake Centre (Mr. Benjamin) in the chamber this afternoon. He is expert at playing broken records. I am glad to see him here because we want to cut down on American humour in Canada, and when the hon. member speaks Canadian humour is supreme.

I want to give a few examples of the cost increases to which I have referred. In 1976 the cost of machinery is up by 15 per cent compared to last year, and it is expected it will rise by a further 10 per cent in the coming year. This figure is ahead of the AIB guidelines. I want to know what action the government has taken to curb increases of this kind which affect the net income of Canadian farmers. It is true that the price of fertilizer is falling, but next spring I expect it will go up again. The cost of fuel, pesticides and other supplies needed to operate a farm can amount to $50 per acre. Nevertheless, the minister does not seem to appreciate the situation. He appears unaware of the serious problems on the horizon. If his sole gesture toward the agricultural community is to be this legislation, one sentence, or at the most a short paragraph in the Speech from the Throne, this confirms my impression that he should move to some other portfolio, possibly finance or consumer affairs. It would be better for him to employ his talents

there than being Minister of Agriculture presiding over the disintegration of a great industry.

Many people in western Canada were disappointed to find there was only one reference to transportation in the Speech from the Throne. This is a further validation of the allegation—I say "allegation", but I believe it is a fact—which we in this party have been making for a long time. It confirms, also, the allegation made by the hon. member for Winnipeg South (Mr. Richardson) when he handed in his resignation—that the party opposite does not care about western Canada. The hon. member for Assiniboia (Mr. Goodale) will understand this in the next election.

I do not propose to deal with the transportation issue in much detail at this point, but I would remind you, Mr. Speaker, that in the course of the last election we heard the most elaborate promises on the part of leading figures in the party opposite with respect to transportation and a great new age for transportation in Canada. Indeed, they almost made me believe that at last a Liberal government really intended to do something in that area. I remember the statements made by the Prime Minister in Edmonton, as well as his speech in Cornwall, promising to put substantial amounts of money into urban transit. In Edmonton he referred to a wonderful concept of transcontinental trains. He was going to establish a new corporation. He was going to expand the existing transcontinental system. Provision would be made to allow passengers to place their cars aboard trains for transportation across Canada. The transcontinental service was to be made extremely attractive.

What do we find? The present Minister of Transport (Mr. Lang), unfortunately—and I say "unfortunately" because this is a minister who comes from the west—is now presiding over the destruction of the passenger train service in our country. All of these are examples, Mr. Speaker, of the "black is white" theory that the government is following today.

● (1540)

I think we should hear from the minister in some detail in this regard. We have tried to draw him out in the question period and to give him every opportunity to do so. He should rise in his place in this House and tell us what legislation he has in mind. What about the promises that were made in the Standing Committee on Transport and Communications last April, for example, when the minister said quite specifically that he was going to introduce legislation in a number of areas, if not immediately, then early in the new session? When will the minister tell us what he has in mind?

As for Air Canada, I want to know when amendments to the act will be brought in and what their nature will be. What is the government going to do in the area of a national transportation policy? I also want to know about a ports policy and the promised change in the institutional framework. I want to know about how the St. Lawrence Seaway financing is going to be dealt with. So many promises have been made by the government that it is hard to keep track of them. You almost need a filing cabinet in your office to locate them.

[Mr. Hnatyshyn.]

Mr. Nystrom: Or a computer.

Mr. Hnatyshyn: Only the NDP could afford a computer. The government has been suffering in the public opinion polls, and I think for a very good and valid reason. I think the government's credibility is very much at stake, as my leader pointed out in a very forceful speech. I think this can be traced to any number of issues that have arisen during the course of the government's mandate in this parliament. It extends from the fiasco of the 180 degree shift by the government on the question of wage and price controls. People were amazed when the Prime Minister went across the country saying, "Zap, your wages are going to be frozen". I am sure the hon. member for Assiniboia will remember seeing, on television in Saskatchewan, people sitting on blocks of ice. We will all remember the government's turnabout.

I also think the Prime Minister made a very serious mistake regarding the difficulties of the air traffic controllers, and as a result his credibility has suffered. The Prime Minister has been going around this country trying to promote himself and his party as the party of unity. He made a cold and calculated decision to raise the issue to the national level before the Canadian people when he took national television time to deal with it.

I share the agony of this whole situation with the hon. member for Maisonneuve-Rosemont (Mr. Joyal). I am a Canadian and he is a Canadian. I resent the Prime Minister trying to make political capital out of that kind of issue. I resent the Prime Minister of this country trying to suggest that he is the only person who can patriate the constitution. I suggest this kind of approach only demonstrates something that the Canadian people are beginning to understand more and more, namely, that this Prime Minister is less concerned about the issues we are going to face and about giving leadership than he is with his own personal place in history and in hanging on to power at any cost.

I see that you are coming to your feet, Mr. Speaker, so I will conclude my remarks by saying that Canada will survive and become stronger after 1978 when the party of which I am a member becomes the governing party and brings a sense of reason to the governing of this country.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, may I commence my remarks by congratulating the mover and the seconder of the address in reply to the Speech from the Throne. May I also thank hon. members on both sides of the House for the kind best wishes they have offered me in my new capacity.

Were I once again a private member, I could spend a good deal of time today making glowing references to the Speech from the Throne and taking a few minutes to justly attack the last speaker, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn). I can only say to him that were he to commit his speech to the form of an advertisement, my department would have to take a very serious look at it under the misleading advertising provisions of the legislation.

For a very few minutes, Mr. Speaker, I should like to talk about the work of the Department of Consumer and Corporate Affairs. I have been minister for only one month, and therefore it is only proper that my remarks should be brief since my knowledge of the department is limited. However, I should like to deal with one aspect that has been frequently discussed recently in newspapers, namely, the apparent conflict, as some people view it, between the businessman and the consumer. They are wondering how my department can have the title of Department of Consumer and Corporate Affairs. I have attempted to say that someone with some business experience and also some legal experience should not necessarily be denied this position as being completely unfit to serve the consumer. However, the point I should like to make is that this department has some 29 acts within its compass, ranging from competition, bankruptcy, packaging and labelling, textile labelling—a whole variety of areas concerning both the consumer and the business community.

What could perhaps be described as a common thread between these acts is that they deal with the marketplace and there is a genuine coincidence of needs within the department. The task of the department really is to make the marketplace as fair and as efficient as possible. It is not to act as a regulator or as a policeman but, rather, to permit growth of a vigorous and powerful free enterprise community and to see it thrive. At the same time, the department must make certain that the powerful in the marketplace cannot crush the weaker yet efficient members as well.

The emphasis of the department in past years has, it is true, been on the consumer. This has been occasioned by the fact that it is the consumer who is in the weaker position in the marketplace. The need for protection of the consumer is greater than that of the business operator. The fact is that the pendulum may have swung from "Let buyer beware", closer to "Let seller beware". Nonetheless, I suggest that the department takes an even-handed approach in general to the marketplace. I think that even the most vigorous advocate of free enterprise would not wish us to return to the day when P. T. Barnum could exult in the fact that a sucker is born every minute, to be exploited.

The role of the government in the affairs of Canadians is not a new issue but an old one. The fact is that government has played a larger and larger part in our activities, whether it be in regulating agriculture or regulating transportation and communications. There is a large place in the marketplace for government, but it is the underlying philosophy of this government that the marketplace shall not be destroyed or weakened by government but will, hopefully, be enhanced in its efforts. It is in this respect that we in the department are concerned with the introduction of the second phase of the competition bill.

● (1550)

[*Translation*]

Doing this, I shall only continue the work which has already been accomplished by my predecessors. Each one contributed in his way to this difficult task over the years. I want to mention particularly the work done by the hon. member for Papineau (Mr. Ouellet) who succeeded in having the first part of the competition policy adopted. Thanks to his patience, his skill, his kindness and his working capacity, he succeeded where others failed.

[*English*]

He demonstrated, under considerable difficulty, at the committee stage what can be done by firm but conciliatory attitudes. I hope that in the months to come as we introduce phase II of the competition policy I can do at least partially as well. The prospects in that bill have aroused considerable concern among all sectors of the economy. I have already had discussions with businessmen and with consumers. There are very difficult policy choices involved, for industry, we know, must be subjected to competition, yet many today are protected by tariff walls, and it is the job, in devising a competition policy, to ensure that industry is able to thrive without damaging less powerful members of that community.

The complaints I have received from small business operators, particularly in the small retailing field, concern the inability of these retailers to purchase in the same advantageous manner in which the large giants of the industry may do. It serves to illustrate my point when I say that here is an example of the difficult choices we have to make in devising the act. We do not wish to eliminate the real efficiencies and advantages conferred by size in purchasing, yet we must deal with the question of how the small retailer or a collection of small retailers may take advantage of volume purchasing.

Therefore, I think that in the next few months this is going to be an important bill which parliament may deal with, and I hope I can serve to persuade my colleagues on all sides of the House of the benefits of this legislation and that it is passed without further delay. It has been a long time arriving.

Mr. Woolliams: How do the people react?

Mr. Abbott: The people are reacting very positively so far, and I am sure when they see the bill they will react even more positively.

In addition to the competition bill, I hope at a very early stage to introduce legislation dealing with consumer credit. As all members are aware, there has been tremendous growth in this form of borrowing. It is important that in Canada today we have uniform legislation and that we give adequate protection to the borrower to ensure that he or she receives all the information required to make a responsible decision in this area. Therefore, I hope, again, that this legislation will be viewed not as restrictive to those borrowing in the business community, for that is not its intention, and that it will not simply be regarded as a bill designed only to help the consumer, but will be recognized as a valuable piece of legislation that will help the whole marketplace and, of course, the individual consumer.

In addition to this measure, I am hopeful that we will bring in some long overdue legislation which died on the last order paper, concerning bankruptcy and insolvency. Hon. members

are aware that we are doing studies on the question of trademarks, and perhaps before the end of the session we will be introducing legislation in this area as well.

As I indicated, Mr. Speaker, I do not feel that my term in office would justify a lengthy speech and I know you will be relieved to learn that. However, I do want to complete my remarks by dealing with a subject which I think is close to all of us, and that is the question of national unity.

All members on both sides must ask themselves occasionally what accidents of fate brought us together in this place, and for what purpose. So many frustrations, absences from home, demands on time and energy and criticism at every turn surely make this a valid question. For most of us it is a privilege superior to any other that may be extended to a Canadian. But as Canadians drawn from every point of this country, we surely have an obligation not only to make the parliamentary system work but also to convince Canadians from all provinces that Canada is a country worth preserving. It seems almost beyond belief that citizens in a country so uniquely blessed should question whether it is worth preserving as a nation. Surely there are few, if any, members here who do not believe there must be a supreme effort made to preserve our national unity. This is the fundamental issue which lies at the basis of this country's national existence.

Speaking as a Liberal partisan, in what is, I hope, the better sense of the term, I do not support this party and this government because it is always right. I do not support the Liberal government because I have always been in agreement with every policy. I can even look across the floor and see members who would do a very good job as ministers in any government. The real reason I support the Liberal government is that it has at the core of its justification for existence the determination to maintain the unity of this country.

Some hon. Members: Hear, hear!

Mr. Abbott: In doing so, we may have made mistakes. Programs created may need to be changed. But if we on this side desert the basic philosophy that has been our true strength, then not only the Liberal party is doomed but so is Canada. It is not simply because we are the party of Mackenzie King and Mike Pearson, but because we are also the party of Laurier, St. Laurent and Trudeau.

Some hon. Members: Hear, hear!

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am very happy to have the opportunity today to follow the new Minister of Consumer and Corporate Affairs (Mr. Abbott). As the right hon. gentleman from Prince Albert (Mr. Diefenbaker) said, he knows him better than I do and he knew his father. I know the minister will smile at this, but some years ago when I was vice-president of the junior chamber of commerce of Canada, I travelled with Mr. Abbott Sr. and got to know him pretty well. I should like to relate this one incident as I think it will start off my address in the proper atmosphere.

[Mr. Abbott.]

We were driving from Saskatoon to a place called Tisdale. This was in the forties. The federal government, which was then Liberal, had just called an election following a budget in which it had taken the tax off soft drinks. It was a hot day and we stopped in a little village to buy soft drinks. Gordon Blair, who was a member of this House, was with us. We asked for soft drinks, and the young lad at the counter said they would not cost as much that day because Mr. Abbott had taken the tax off. Gordon Blair said that Mr. Abbott was with us in the car. Looking at Mr. Abbott Sr., the young lad said, "If he is Abbott, I am Mackenzie King". He did not realize that he was really looking at Mr. Abbott.

The minister, in his remarks, referred to unity. I am certain that the Liberal party has made a contribution to unity and I am confident that every member of this House of Commons since confederation has basically stood for unity. In fact, the Progressive Conservative party was the party of confederation that brought this country together.

• (1600)

When I hear a line like that, saying that they have some monopoly on unity, I wonder whether there is something wrong at the present time in their own caucus. Perhaps they are bothered not only by the fact that there is disunity in the caucus but also by a feeling that they are perhaps bringing about some disunity across this country. Having said that, I wish to address myself and the House to some of the vital legal concerns of the Canadian people as to the trend being followed by this government, the Minister of Justice (Mr. Basford) and by others influencing him in reference to the administration of justice.

Before doing so, I wish to incorporate all the congratulatory words used in this debate by others with regard to both the mover and the seconder of the address in reply to the Speech from the Throne. Both hon. members, namely, the one from Restigouche and the one from Lafontaine-Rosemont, did credit to themselves and this chamber, and tried to do credit to the government in their very thoughtful and able addresses. Congratulations to both hon. members.

Now I wish to deal with three subjects. The first concerns a bill that was introduced and then dropped from the order paper. Both the Minister of Justice and the Solicitor General presented jointly or in partnership last session a bill, namely, Bill C-83, which died on the order paper because the Liberals let it die. It was entitled "An act for the better protection of Canadian society against perpetrators of violent and other crime". It contained amendments and, therefore, changes to the Criminal Code in five fields.

I wish to emphasize that. It did not investigate gun control alone. It legislated also in respect of dangerous offenders who under the Criminal Code are still called habitual criminals. It contained wiretapping legislation to abolish the 90-day notice necessary to be given to the subject after a judge has given authorization to wiretap the subject's telephone. Then it allegedly gave the provinces jurisdiction to conduct special crime inquiries in reference to crime going on within that

particular province's borders, on which the Supreme Court of Canada ruled and in respect of which they now have jurisdiction. Then there were the changes in the parole procedure.

So although this bill is referred as the gun control bill, it dealt with five phrases of amendments to the Criminal Code. The government called this legal criminal conglomeration of amendments "the peace and security package". Later it became erroneously known as the gun bill. This is only part of the story. This bill contained 73 pages, 39 pages of which dealt with the use, the storage, the licensing of guns and ammunition. The remainder of the bill dealt with the other four matters I mentioned.

In particular, that portion of the bill dealing with wiretapping gunned down the right to privacy and to civil rights enjoyed by all Canadians during the lifetime of this nation. The Standing Committee on Justice and Legal Affairs sat 75 hours, held 38 meetings and heard briefs from many national organizations. I might say at the outset that the bill was a bad bill. Even the government member on the committee recognized the flaws in the bill. Finally, the government brought in 54 amendments. Perhaps one or two of them might have been ours. These amendments were approved, but basically, and tragically, the bad features of the bill still remain.

I shall direct my words to that part of the bill which cannot be accepted, condoned or approved. On second reading we moved a motion that the bill be separated so that the gun control amendments could be considered apart from the other four amendments to the Criminal Code. The government refused to accept that motion. The minister spoke against the amendment and the Minister of Justice voted against the amendment, as did all government members.

The minister was trying to ram this multi-conglomeration through parliament, hoping that the people would see the little bit of good that was to be done and overlook a devil of a lot of bad. Apart from the many bad features contained in definitions and other technical parts of the gun control legislation, the government designed a new form of procedure to legislate criminal law, not by parliament but by order in council. This is unacceptable. The legislation of criminal law must be precise. It must be concise and free from ambiguity and, above all, it must be known to people as legislated by parliament, rather than made in a secret chamber by a known or unknown body, such as the federal cabinet.

I listened to the Minister of Consumer and Corporate Affairs (Mr. Abbott) who referred to the late Mackenzie King. When there is an attempt to deal with legislation by order in council, this is what one of the fathers of that party said in this chamber:

> Now let us come to another point which I wish particularly to stress, I refer to the right set out in Magna Carta that no man shall be dispossessed of his rights without the lawful judgment of his peers under the law of the land; not the law as made by the governor in council, not the law as made by some unnamed and as yet unexisting body, but the law of the land as known to everyone. It is an essential principle of liberty and freedom that the law of the land should be known, that it should be so known that every man as he runs may read. The law should not be something which is to make its appearance in the Canada Gazette after some board or governor in council, not parliament, has passed a regulation; it is something that should appear in the statutes of the country.

At the time of the committee hearings, the members of the Progressive Conservative party knew that the government members were going to try to ram through the bill, and the only amendment I could make which was acceptable to the committee and the minister was that these numerous orders in council must be referred to parliament for discussion and debate in this House. But that does not stop the cabinet going ahead now, and it does not stop this or any other cabinet in the future legislating criminal law without the approval of parliament. It does not prevent the cabinet making orders in council as they see fit, or even object to the same. The minister, the government, and some members of the media appear to have failed to appreciate the inherent dangers in such a practice when it affects one's civil rights and liberties in this country.

Let me turn to another feature of Bill C-83. This deals with wiretapping. I am glad to see the hon. member for Windsor-Walkerville (Mr. MacGuigan) in the House, because I know he will agree with what I say. I know his views. I know he believes in the perpetuation of civil rights. We find totally unacceptable the fact that the government would call for the abolition of the 90-day notice which must be given to a subject whose telephone is being wiretapped by the police, as authorized by a judge, so that the person may be made aware that his or her private rights have been interfered with. I shall not quote the section of the Criminal Code to which I refer. It is section 178.23(1), which states that the Attorney General of a province or the Solicitor General of Canada shall give notification within 90 days which, if necessary, can be extended by a judge if the investigation involves syndicated crime.

The concerned committee members of the opposition managed to move an amendment to this abolition of notice so that the extention or the abridging of time must not go on indefinitely. The hon. member for New Westminster (Mr. Leggatt) and myself took a very dim view of the subject I am now discussing. The government would not accept anything short of a maximum five-year period. I am totally dissatisfied with this procedure. It is very interesting to note that 556 wiretapping permissions were granted in 1976, that only one was refused and that there were two cases of refused extensions. There were only two cases where extention of time was refused.

● (1610)

I am concerned about solicitor-client conversations being bugged, because communications between a barrister or solicitor and his client are privileged and must be that way if the liberty and freedom of the subject is to be safeguarded. A case in my own city was brought to my attention by a trial lawyer. That case is now before the courts. In that case a conversation between the trial lawyer and his client was bugged. The Crown was able to determine the defence, and the privilege of communication between the solicitor and his client was usurped. I am therefore concerned about the bugging of professional people's private communications.

I am concerned about private industrial communications being bugged. For example, with regard to exploration and development in the oil industry there is a necessity for secrecy. That is also true in the manufacturing and patent industries. I am concerned about the private communications of public servants being bugged. I am concerned about all private conversations being bugged unless proper authorization has been granted in accordance with the terms and conditions of the Criminal Code.

A time period longer than 90 days simply increases the wiretap powers of the police and removes essential safeguards from citizens. This 90-day notice serves as a safeguard against excessive bugging. The government does not need to extend the 90-day notice because at present the courts have full power to do it anyhow. If notification is repealed altogether, how would section 178.21 have any effectiveness? This provision allows courts to award punitive damages when convicting accused people for unlawful interception. If this were ever to be the case, proper authorities could illegally intercept private communications and the supposed victim would not be aware that he was being observed, because the observation itself would be concealed. The only reason the lawyer to whom I referred knew his telephone was bugged when he was talking to his client was that his client received a notice; otherwise he would not have known. A victim cannot assess the legality of surveillance unless he is notified. Surely he is entitled to that privilege. Only then can the criminal process be initiated.

As I understand the Criminal Code, derivative evidence—and that means evidence which is derived from this source—obtained from illegal wiretapping would be a crime in itself and not admissible under the code. Under the bill the government is trying to bring in, that illegal bugging, although an offence under the Code, would be made admissible against people. That, of course, is contrary to what I understand to be the common law of this country and the civil rights of Canadians. We find legislation suggested in this form unacceptable. When persons here and in the media describe it as gun legislation, they have not read the bill. The nickname is partly correct, though, because the legislation would gun down Canadian civil rights. It would be contrary to the common law and to the Bill of Rights of this country.

Let me deal with another question. At the moment my greatest concern, and the greatest concern of all trial lawyers and those who understand the question of civil liberties, has to do with the recommendation of certain people that we abolish preliminary hearings in criminal cases and abolish the jury system for certain kinds of indictable offences. This week I asked the minister a question in this House and he responded as follows:

> I made a speech in Vancouver in which I said that we do not intend to interfere with the jury system, the right of the accused to remain silent, and the protection against self-incrimination . . . but I am not in a position to say at this time whether any bill will be introduced relating to that matter.

What kind of bill is he going to bring in? One on plain white paper? If he is not going to do the things he has been talking about, for what reason does he need a bill? The other day I asked him to come clean; that is why he has been nicknamed Mr. Clean. I asked him to give answers and not to pussyfoot around. I told him we wanted to know because in the committee we were faced with that monstrosity, Bill C-83, and we may be faced with another monstrosity. It seems to me that this government and this Prime Minister (Mr. Trudeau), who before becoming leader of the Liberal party and Prime Minister had the image of a man standing for civil rights are bent on destroying civil liberties as we understand them in the common law of this country.

An hon. Member: Nonsense.

Mr. Woolliams: Somebody said "nonsense." It was that Liberal member for Assiniboia (Mr. Goodale).

Mr. Goodale: I did not say a word. Get your facts straight, Eldon. You are dead wrong.

Mr. Woolliams: I am sorry if it was not the hon. member. It was his friend, if that makes any difference, but I will not name his constituency.

Mr. Goodale: You don't know it.

Mr. Woolliams: The minister said that he was not in a position to say whether the bill will be introduced. The suggestion to reduce the number of jury trials and abolish preliminary hearings for the purpose of expediting trials is not the answer and has been rejected by the leaders of the criminal section of the Canadian Bar Association.

In accordance with the recommendations of the Law Reform Commission, we should set up family courts to take out of the jurisdiction of superior courts in the various provinces such matters as divorce and property settlement. That would expedite trials because it would get rid of trial dockets in many centres. Much of the time of superior courts is taken up with divorce work, property settlements and matrimonial affairs. In large urban areas like Toronto or Vancouver we should increase the number of judges to take care of the backlog of cases. These two suggestions would solve the problem without interfering with the private and civil rights of Canadians.

The proposal to eliminate trials by jury, and preliminary hearings, is based on a working paper which I understand was prepared by officials of the Department of Justice. That is rather shocking to me. It is also based on a Law Reform Commission study of pre-trial procedures. The Minister of Justice states that the paper is based on a system of complete Crown disclosure before trial, by which prosecutors would be obliged to disclose, by way of a pre-trial hearing, all of the case against the accused. Through this recommendation it is hoped that many pre-trial and trial delays can be eliminated. However, that is really the very purpose of preliminary hearings. A preliminary hearing is a vehicle by which defence counsel can determine the case against a person. Then when he gets before a judge and jury he can present his case properly. If there are to be any changes leading to fewer preliminary hearings, they should be made with reference to very unimpor-

tant charges. I am against any changes with regard to charges which could result in long-term imprisonment.

I seriously question whether one can eliminate the delay and backlog in the system by implementing these new recommendations without affecting the fundamental rights of accused persons. The defence uses the preliminary hearing as a vehicle to find out what the Crown has against the accused and to help in preparing the defence. To eliminate the preliminary hearing would be to revert to the system where a person is guilty until proved innocent. If there are to be any major changes in preliminary hearing procedures or in trial by jury procedures, I want the Minister of Justice to restate the promises he made to the Vancouver judges. I think I should put on the record what he said, because we cannot drag it out of him in the House. He said the following:

> But let there be three things made very clear. Firstly, that any changes should not tamper with the jury system.

Thank you, Mr. Minister of Justice.

> I need no lectures on the importance of jury trials . . . Secondly, I firmly believe that we should not change the basic principles of presumption of innocence and the Crown's onus of proof. Thirdly, I agree that we should not remove the right of the accused to remain silent.

The choosing of 12 ordinary persons to form a jury represents a safeguard and a buffer and is one of the most fundamental parts of our freedom. I wish to quote a Toronto lawyer, the ombudsman of Ontario and a friend of mine, Arthur Maloney, as follows:

> Of all the institutions contrived by imperfect man for his own safety and security the jury stands out like a beacon whose glare, far from diminishing, has become more dazzling over the long centuries of its history.

I might add to that, over the long centuries of our judicial history. By even courting proposals such as the reduction in the number of preliminary hearings and jury trials, the Minister of Justice is plunging too far, too fast and too dangerously. The right to be tried by a jury of our peers is as old as Magna Carta. That was one of its terms, and must not lightly be put aside. The right of an accused to remain silent is a fundamental right. One would think that in 1976 it would not be necessary to mention that. The *Globe and Mail* supported me in that. I do not always have Geoff Stevens of the *Globe and Mail* behind me.

● (1620)

We must stand on guard at all times, Mr. Speaker. There has been some suggestion that the Crown would be able to examine the accused on evidence that the Crown, in its opinion, could substantiate. One of the old cases which re-establishes this rule and which the Supreme Court of Canada supports is *Ibraham v. The King*, (1914) Appeal Cases, 599, a judgment of Lord Lumner which is supported by Canadian courts. At page 609 he said:

> It has long been established as a positive rule of English criminal law, that no statement by an accused is admissible in evidence against him unless it is shown by the prosecution to have been a voluntary statement, in the sense that it has not been obtained from him either by fear of prejudice or hope of advantage exercised or held out by a person in authority.

These rules only apply, of course, when statements are made and given by the accused to people in authority. But a new practice is growing up whereby those in authority—and this is more dangerous than ever—the police, the Crown, arbitrarily place the accused person in a mental hospital for the purpose of observation and treatment by either a psychiatrist or psychologist and obtain by this method a statement which the police would not be allowed to admit in evidence. These are medical people and not people in authority and an accused will often place confidence in doctors.

I have cases right now where there is some question of the mental stability or mental capacity of the accused. A person was placed in a medical hospital, and not only was he interrogated by the psychiatrist, to whom he gave his whole confidence but, as I was told by the Crown's psychiatrist, he had a blackout. The psychiatrist told me that when you have a blackout and are questioned by a psychiatrist or a psychologist, you try to fill the vacuum. Suppose the person being questioned by a psychiatrist or a psychologist fills the vacuum and says, "I might have done it; I could have done it; I do not know." What effect might that have upon a jury? Mr. Speaker, the police cannot get evidence in like that, so why should it be brought through the back door by medical people hired by the Crown, with the accused ordered to be there by the judge? I say this is very dangerous, Mr. Speaker, and, of course, it is not only dangerous but the law is not very definite on it.

There are many cases, Mr. Speaker, and one which concerns me is an old one which I think was mentioned in the Vallaincourt case this year in the Supreme Court of Canada. It is *Regina v. Roadhouse* (1934) 61 Criminal Cases of Canada, 191. Last, but not least, is the Vallaincourt case (1976) 1 Supreme Court Reports, 13. A very distinguished Montrealer, Professor Kaufman, in his book "Admissibility of Confessions" had this to say:

> These statements are suggestive of guilt and the point of law is raised that this evidence was inadmissible because the accused, being in custody and handed over temporarily for treatment while police officers remained in close attendance (without, however, so far as the evidence shows, hearing the statements) the doctor must in law be regarded as a person in authority.

But the court disagreed and said:

> Ordinarily a person in authority is one engaged in the "arrest, detention, examination, or prosecution" of the accused . . . Dr. Shaw stood in the same position as the wife of an arresting officer if the accused had been taken to his home for first-aid treatment at her hands, administered under the circumstances disclosed in this case. The doctor was not deputized by the police to act on their behalf nor was he performing any function—

The Statement made to the doctors was therefore admitted as evidence. I say this is a dangerous process, Mr. Speaker. If in this speech I have left any impression at all, I hope it is that the liberty and freedom of the subject is all-important. I think this House knows where I stand on crime. Certainly, those who commit—

Mr. Benjamin: You are against it.

Mr. Woolliams: I am certainly against the wrong kind of evidence. It is better to let one guilty person go free than to

hang ten innocent people or send them to jail. I say the Minister of Justice should look at this matter.

In conclusion, Mr. Speaker, I am one of those who believes that the only evidence that should be admitted is on the test of truth. When a person is induced, or falsely or fraudulently encouraged by psychiatrists or psychologists to try to fill the vacuum of things they do not know are the complete truth, that should be disregarded as evidence.

In the matters that I have mentioned today, if the steps that this government seems to be taking are to be the funeral of liberty and freedom and the end of the fundamental right to be tried by a jury of our peers, then I would not think this Minister of Justice would even want to be an honorary pall-bearer at that funeral.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, this afternoon I want to say a few words on the subject of food and agriculture. I see the hon. member for Assiniboia (Mr. Goodale) sitting by, anxiously waiting to pick up some valuable information to take back to his constituents.

I wish to introduce something a little different this afternoon. I want to speak about what I think is going to be a real problem, not only today but in the future, in the area of food and agriculture. I, for one, believe that by the end of this century we will have a real crisis in the shortage of food and protein in the world community. All we have to do is look at some of the population statistics. The world's population is about four billion, and we are unable to feed them all. Some say that about 16,000 people die of starvation every day, while thousands of others die of diseases connected with some form of malnutrition.

If present trends continue, the world's population will probably double by the year 2000. If we cannot feed the people now, how will we do it a few years ahead unless the programs of this and other governments change radically? I think we must realize, however, that this country obviously cannot feed the hungry of the world. We would be misleading ourselves to think we could be the food basket of the world community. I think we do have a role to play, however, in helping to feed other people by maximizing food production in this country. Our prime object as a nation, however, must be to help other countries to become self-reliant, to be able to feed themselves. We must provide the proper technology and know-how to enable them to produce their own food in quantities sufficient to feed their own people.

We not only have to be concerned about the problem of food in the world, but about the problem of food in our own country. Many people think that we have no food problem in Canada because we produce efficiently and no one goes hungry. But it is not quite that simple, Mr. Speaker. A study produced by the Food Prices Review Board about a year ago pointed out that about 70 per cent of old age pensioners in Canada suffered from a lack of calcium in their diet. Yet we recently had a surplus of various milk products. Before it folded, that same board said that about 40 per cent of the hospital days in Canada could possibly be linked to bad nutrition.

An hon. Member: And alcohol.

Mr. Nystrom: Alcohol too. Think of the junk foods—children in school drinking Cokes and Pepsis, eating hot dogs, hamburgers, chips, candies, chocolate bars and all kinds of really junky foods. I am glad the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) is here, because I know she is concerned about this. If we had sensible policies and proper programs we could get rid of the Coke machines and other things in the schools and provide milk and fresh fruit and vegetables instead.

If the Food Prices Review Board is right in saying that about 40 per cent of hospital days are connected with malnutrition, just think how we could bring down the cost of medicare and hospital accommodation through a good program of nutrition. Many diseases and health problems could be prevented. We will not have good policies in this country, however, unless we devise a comprehensive food and agricultural program, one that is integrated and takes into account the interests of the producer and the consumer. We need a farm program which will guarantee farmers a decent income and make sure they are able to stay on the land. At the same time, we need a program which will encourage the production of food for the consumer at the lowest possible cost, so that all the people of Canada can afford to buy good food at reasonable prices.

• (1630)

Ahead of us I see many serious difficulties. I see a crisis facing this country in the future. I see, as does the hon. member for Regina-Lake Centre (Mr. Benjamin), the threat which large, powerful corporations in the agricultural field pose to the way of life of farmers and the existence of orderly marketing, farm organizations and individual farms. I see a crisis ahead to do with the use of our farm land.

Let us consider our land. We are one of the few countries of the world able to produce a massive surplus of food if we put our minds to it. If we grow all the food we can, we shall contribute to the well-being of the world's peoples, fortify our rural economy, allow farmers to prosper and set this country on its feet economically, because the end result of this process would be full employment. Mr. Speaker, we have one half of 1 per cent of the world population, and 3 per cent of the world's arable, food-producing land. What is to happen to that land? There is little control over the land in most of Canada. Every day much of our good land goes out of production. Just look at the statistics if you want to see what is happening. They are terrifying.

This country's urban centres cover 0.4 per cent of the nation's land surface; and remember most of our land cannot be used for farming. Only about 4 per cent of it is suitable for farming. Most of our urban centres, our cities, suburbs and factories, highways and hydro lines are built on this country's prime farmland. Most of the urban expansion in Canada

gobbles up good, arable farmland. If this country's urban population doubles, the amount of good, available farmland will be reduced by one-third. I repeat, if the urban population of Canada doubles, and it will double in not many years, and if we do nothing to preserve our farmland, our available farmland will be reduced by one-third. When that happens, we shall run into serious difficulties.

The *Agrologist* magazine said a short time ago that, given our present eating habits and technology, we could feed up to 50 million people in this country. On the other hand, if we begin to reduce the quantity of available arable land, it will not be long before we may not produce enough to feed ourselves and we shall need to import some food.

As I said, only 4 per cent of our land surface can be used for farming. That is to say, 164.15 million acres of land can be used for farming. At present we farm 107.8 million acres. In most cases only the prime agricultural land is in use. Marginal, less productive land, is not generally in use because it is more costly and less economic to farm. Every time this country's population rises by 1,000, the extra 1,000 people consume, for houses, schools, highways, and so on, between 360 acres and 1,700 acres. When you extend our urban regions, good farmland disappears. That lost farmland will not produce food in future. Therefore, why do we continue this process? Land does not grow on trees, Mr. Speaker; once it is paved over, it will not grow food.

I ask, why is this happening? The reason is that these matters are determined by the workings of the so-called free market. Around the major cities in almost every part of this country developers exercise absolute control over how they will dispose of land. Little has been done in this country to protect our farmland, to make sure it is used only for farming and not for the expansion of cities, highways and factories. These, where possible, must not be built on prime farmland. Mr. Speaker, 96 per cent of this country's land surface cannot be used for farming.

The present situation has arisen because of the federal government's abysmal record in leadership. It has done nothing to preserve farmland and has not brought forward an adequate farm policy which could serve this nation in future. So far as I know, only two provinces have acted to preserve farmland. One is my native Saskatchewan, which introduced a land banking program which is working well; the other is British Columbia—

Some hon. Members: Oh, oh!

Mr. Nystrom: —which has legislated the preservation of farmland for farm use only. The attitude of the other provinces with Liberal and Conservative governments and politicians has been that governments, provinces and municipalities should not interfere with the free enterprise system. They think that this country's future should be left in the hands of developers and speculators. That is not good enough, Mr. Speaker, if we want to grow enough food for our own people and help other people in the world. We must face the question squarely. I do not see how any Liberal can argue that the federal government has shown leadership in this area. The question is most serious and will become even more serious within 20 or 25 years unless we act.

If we are to grow enough food in future, we must make sure that farmers remain on the land and earn a stable income. I heard the suggestion not long ago that our farmers are prosperous now that grain prices are high. Mr. Speaker, such prices are not stable. Prices for the grain producer were high, but the price has recently fallen by $1.04 per bushel. Prices are lower than they were three months ago. The price of other farm commodities is also falling. Also, we all know of the difficulties of the cow-calf producer. Many of them are going bankrupt. Many mixed farmers face hard times.

You see, in my constituency and the constituency of the hon. member for Regina-Lake Centre, a great deal of rural poverty. Some farmers in my riding do not have in their homes water and sewer facilities and the other modern amenities which we in this House take for granted. The same can be said of farmers all across this country—in Quebec, New Brunswick and other areas. Their story is the same.

I bring these problems forward to show that our stabilization legislation is not the only answer If it were, farmers would not be forced to leave the land. Too many decisions affecting the land are made by big concerns. In the process, the small producer is forgotten. Companies like Cargill, about which the hon. member for Regina-Lake Centre spoke, are moving into this country and exercising ever more control over the food industry and food prices. The dominance of such companies poses a threat to our Canadian way of life. Do we want control of this major industry, agriculture, concentrated in fewer and fewer hands, or do we want to maintain our present way of life? Do we want to maintain what most farmers favour, a system of orderly marketing, wheat pools, co-operatives and marketing boards which give the farmer some clout in the marketplace?

Let us examine some of our other difficulties. Some time ago the Minister of Transport (Mr. Lang), who is responsible for the Canadian Wheat Board, put feed grains on the open market. By so doing he took away some of the foundation for stable farm income. He allowed feed grains to be traded on the Winnipeg Grain Exchange, thereby giving the exchange with which the hon. member for Winnipeg South (Mr. Richardson) is connected influence over the price the farmer was to receive for that product. The hon. member for Regina-Lake Centre documented how large, multinational corporations involved in the grain business are moving into this country's prairie provinces. He told the House what would happen if they build huge inland terminals. I ask, where does the Conservative party stand with respect to these large inland terminals being either constructed or proposed on the prairie provinces? The effect of these terminals will be this: smaller elevators all over the prairies will be closed and more and more power and wealth will be concentrated in the hands of huge corporations.

● (1640)

What is going to happen to rural society with the abandonment of rail lines? What is going to happen to the consumer if nothing is done about the immense power of some of the processors, retailers and wholesalers in this country? What will happen as corporations get larger and have more say about the price people pay for food? I need only refer to the last report of the Food Prices Review Board which pointed out that there are four large retailers in this country, Weston-Loblaws, Safeway, Dominion stores and Steinbergs. They control a very large proportion of the retail food markets in Canada. In places such as the prairies, between 80 and 90 per cent of the market is controlled by three or four of these large corporations. Is there any competition when these large corporate giants get together? I suggest there is not.

If the large corporations such as Cargill Grain, Continental Grain and a number of others south of the border continue to move into the producing sector, what will happen to the price of food in this country? Food is too important to be left to the private sector. Food is the right of all Canadians. The price of food should be controlled by those who produce food and by the people who consume it.

More assistance should be given to the farmers, particularly those with small farms and those who want to begin farming. There should be marketing boards for farm commodities, so that the producers can have some clout in the marketplace with regard to the remuneration they receive. One need only look at one area to see what I mean. I refer to the cow-calf producer. Recently, in my constituency, I talked to farmers who had sold young calves in the marketplace for as low as $20 and $30. What happens at the retail and when a person is buying this beef a Weston-Loblaws, Safeway or a Steinberg store here in Ottawa? That drop in price which the producer is suffering is not being reflected at the retail end when someone is purchasing it.

It is a real crime for the Minister of Agriculture (Mr. Whelan) to get up in this House time and again and give us the same old baloney about agriculture and how difficult it is to do anything for the cow-calf producer, even though he has not produced any program for them. The provinces had to act unilaterally to provide assistance for cow-calf producers. Alberta put $40 million into a plan. Saskatchewan put $32 million into a plan in order to stop cow-calf producers going out of production. However, the Minister of Agriculture refuses to put any money into a plan to try and help cow-calf producers. It is not just the cow-calf producer who will suffer. It is not just the fact that the small farmer will be put out of business. In the long run, it will be the consumer who will suffer.

Farmers will sell their cows more and more rapidly as the price of beef to the producer drops. In a few years there will be a shortage of beef in this country. Prices will skyrocket as the retailers and wholsesalers have a virtual monopoly. The consumer will be ripped-off, having to pay very high prices. The government will then have a real problem. If cattle and beef are left on the open market and the price of these commodities is controlled by speculators, huge corporations, packing houses and retail companies, there will be a real problem. What we need at this time is a national beef marketing agency or board that will stabilize the price of beef in this country. The Minister of Agriculture says he is in favour of that. I would like to see him give some leadership in promoting this idea.

The minister should hold a plebiscite to determine whether cattle producers in this country want a marketing agency. If such a plebiscite were held, I believe the vote would be a resounding "yes." The hon. member for Assiniboia may have some large ranches in his constituency. However, if he visits my constituency he will find that the overwhelming majority of farmers want a beef marketing agency. I need only refer to a meeting that took place in northwestern Saskatchewan a few days ago. The group of farmers who gathered there angrily demanded a national marketing board for beef. Organizations are being formed in my constituency by ordinary farmers, not the huge cattle ranchers. They do not believe the Canadian Cattlemen's Association speaks for them. They want a national marketing agency. They want some protection in the marketplace. Why should the price of their labour be determined by Canada Packers, Burns, the huge retail stores in this country, or speculators in the United States? Why not a marketing board for beef so that the farmers have some clout and some say about what they will get for their commodity? The farmers should get some benefit for their labour.

I sometimes become rather annoyed with the Canadian Cattlemen's Association and their political organs such as the hon. member for Assiniboia, the hon. member for Saskatoon-Humboldt and some of the Tories who a few years ago said they did not want any government involvement or interference, that they were free enterprises in a free market. Now the price of cattle is falling and these same people in the Cattlemen's Association want some support. They say they are suffering in the so-called free enterprise economy which they fought so hard to preserve. Support should be given to the small beef farmer now. At the same time, we should ensure that he has a marketing agency or board when times are good as well as when they are bad. Let us have some consistency in the cattle policy of this country.

There is something else I want to mention before my time runs out. A very important issue will soon be debated on the prairies. A few years ago the minister in charge of the Canadian Wheat Board took domestic feed grains out of the purview of the Wheat Board. He promised the western farmers a plebiscite on feed grains being taken out of the Wheat Board. Recently he announced that a plebiscite would be held. It may be late, but he says it will be held. We do not know what question will be asked, or who will have the right to vote. We want the minister to give the prairie farmers a chance to have all grains produced on the prairies under the purview of the Canadian Wheat Board.

There will be a real fight on the prairies. Huge businesses, the Winnipeg Grain Exchange, the Liberal party and many of the Conservative party will support keeping feed grains on the open market. There is going to be a fight. It is going to be one

of the biggest fights we have seen on the prairies. I should like to quote from the *Globe and Mail*. On October 15, the *Globe and Mail* carried an article entitled "Grain marketing plebiscite called crucial test confronting farmers". I quote:

● (1650)

A forthcoming plebiscite on Canada's grain marketing system is shaping up as one of the most crucial tests ever to confront the private grain industry, according to R. S. Ennis, president of the Winnipeg Commodities Exchange.

The president of the Winnipeg Commodities Exchange made it clear he was attempting to influence farmers to vote for a continuing role for the private grain industry. "In the coming year it will be necessary for each one of us to make the benefits of free marketing known to the public."

The Winnipeg Grain Exchange is going to be involved in this campaign. I say to you, Mr. Speaker, that my party will also be involved in the campaign, but on the other side. We believe the government should know why it should place all prairie grains within the purview of the Wheat Board. If the hon. member for Assiniboia does not agree, he can debate this issue with me in my constituency any time he wishes. I am absolutely confident that the wheat pools in Saskatchewan, Alberta and Manitoba, together with the UGG, the National Farmers' Union, the Federation of Agriculture, as well as the governments of Manitoba and Saskatchewan, would agree that all prairie grains should come under the purview of the Wheat Board.

Mr. Woolliams: Give the farmers a chance to vote.

An hon. Member: What about Alberta?

Mr. Nystrom: I don't know about "Peter the Red" in Alberta or some of his boys, but I know where the premier of Saskatchewan stands. I know where the premier of Manitoba stands. I know where the farm organizations stand. I also know where some of the Liberal farm organizations like the Palliser Wheat Growers stand. They stand on the other side, fighting for grains to be on the open market. I ask this question: Why should food be speculated with like dice in a casino?

Mr. Woolliams: Why should farmers have to take less than the market price?

Mr. Nystrom: Why should food produced by the farmer be under the control of speculators?

Mr. Benjamin: Parasites.

Mr. Nystrom: Why should not the farmer, having produced that food, reap all the benefits along with the consumer, the latter having the advantage of a lower price at the other end? This is the important issue we are facing in the west. It is one which has been with us a number of years, one which we believe we had disposed of until the Minister of Transport began to play around with the power of the Wheat Board.

I remember my grandfather telling me stories a few years ago about the days before the Wheat Board. He told me that in the fall of the year farmers would sell their grain because they had to pay taxes, buy clothes for their children for the winter and meet a number of other seasonal expenses. So they would all go to the elevators to sell their grain. They didn't have any clout; there was no marketing board. The price would fall to a few cents a bushel. But in the winter months the speculators who had purchased that grain were able to sell it for much more than they had paid. Today, Mr. Speaker, we have a Wheat Board which ensures that there is a uniform price paid for wheat and we in this party want to put all grain under the purview of the board.

Thus, I move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That the amendment be amended by inserting therein, immediately after the words "Australia and New Zealand", the following:

> "the need to put the marketing of all prairie grains under the sole jurisdiction of the Canadian Wheat Board".

[*Translation*]

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of Urban Affairs): Mr. Speaker, first I wish to congratulate the movers of the Address in Reply to the Speech from the Throne. We must recognize that our colleagues from Restigouche (Mr. Harquail) and Lafontaine-Rosemont (Mr. Lachance) are excellent members devoted to their ridings. Furthermore, they have proved both in the House of Commons and in committees that they are outstanding parliamentarians.

Mr. Speaker, I would like to take this opportunity to deal with two themes. I am personally interested in the first one, namely the situation of French-speaking minorities outside Quebec, and the second may perhaps interest more particularly those who are set on the question of "bilingualisation" or the learning of a second language, namely the problems we are now facing in Canada when it comes to learning the official languages and the important role of the federal government in this area. How far can we in the federal government go in the field of education without transgressing section 93 of the British North America Act?

Mr. Speaker, as parliamentary secretary, I had the opportunity to travel throughout the country this year. So, I met Canadians from both the east and the west. In addition to fulfilling my official duties, I tried to urge those people to give me their reactions or to tell me how we should build Canada.

As all hon. members, I had the opportunity to read erroneous quotations, in Vancouver, Edmonton, Ottawa, Halifax, Quebec City or in other places. I would like to read some of them and, surely, they will not surprise anybody. Here is the first erroneous quotation:

The federal government is shoving French down English throats.

The second erroneous quotation:

Bilingualism is a goal of the Liberal party alone.

The third erroneous quotation:

French Canadians outside Quebec are just picturesque. They mix with the English-speaking majority at a frightening rate.

The few remarks I was quoting, Mr. Speaker, were not concocted by some biased newspapermen, but actual comments from Canadians. We are certainly faced with a problem

of a national nature. Intolerance, bigotry, even empty gibes often verge on a mild form of racism. The Larousse dictionary defines racism as follows: "A system asserting the superiority of one racial group over the others, urging in particular the segregation of the latter within a country, or even aiming at the extermination of some minority".

Evidently, many Canadians are ignorant of this country's history. More disturbing still, the majority of Canadians, both in English-speaking provinces and in Quebec, are not aware that there are outside Quebec nearly one million Canadians having French as their mother tongue.

● (1700)

I am pleased, Mr. Speaker, to speak about this group of French-speaking Canadians who live outside Quebec and who often have to make the best of difficult situations. There are one million of them, responsible for the future of a united Canada and respectful of the rights of minorities. These people—who, unfortunately, are too often forgotten—exist and I am one of them. According to our ability, we can and we wish to render great services to our country, if we are allowed to do so. We have proved our perseverance and our strength while respecting others' rights. We have fought for our rights, we have overcome a law which prohibited education in our mother tongue, we have survived although we were refused education in our language subsidized by public funds; we have struggled with firmness and today, longing for better understanding, we continue to fight in our quest for legislation which is supposed to promote justice.

French-speaking Canadians are not just another ethnic group. As co-founders of this country, they are on equal terms with the English-speaking majority. Canada's identity is altogether different from that of any other country. Canada is a nation which gathers together two cultures, each of whom can, thanks to its heritage and its ancestral characteristics, work in conjunction with the other to obtain results of the highest quality. There is a third group in Canada which plays an increasingly important and active part in every aspect of Canadian life and which is of neither French nor English origin. I am of course referring to Canadians from various ethnic groups who have deliberately chosen to leave their home country to find a better life and a more promising future. Of their own initiative, these people have decided to adopt our country. According to dictionaries, the word "adopt" is defined as follows: to choose and use as one's own... to accept. That is precisely what these people did: they considered opportunities for a better future in Canada, they knew what they would find in Canada if they came over, they accepted her for what she is worth and made her their own country, that of their children and of future generations.

True, most of these new Canadians, after starting their new homes, have predominantly gravitated toward the English language; it is also true that they were not always made aware of the presence of French-speaking Canadians, nor exposed to the French language or culture. For reasons which are readily understandable, many Canadians have come to place French-speaking Canadians with the Danes, the Ukrainians, the Germans, the Italians, the Japanese, and many more. I noted, especially in western Canada, that majority ethnic groups often refer to the following argument: Would it not be more logical and more profitable for the English-speaking majority to learn Ukrainian for instance instead of French? Such reasoning does not recognize that the federal government is the government of all Canadians; that it must look after the whole country and it must legislate according to national interest. For that reason, the central government does not meet only the needs of a particular city or area, it must answer the needs of the whole country. Nothing prevents Canadians from speaking several languages. But that is not the responsibility of the federal government. Indeed, we favour them by our multicultural policy.

However, the federal government as the government of all Canadians tries to meet national needs with its official language policy. That is where our responsibility lies and why we have an official language policy. I wish to come back to those erroneous quotations: The federal government is shoving French down English throats. No need for me to dwell on that false concept from which so many conflicts spring. The federal government does not impose French on anyone. Unless you are a federal public servant whose position requires both French and English, you do not need to learn either French or English. Some civil servants are bilingual now but the people they serve are not.

It is precisely because of the decision no longer to impose English on French Canadians that some ten years ago the government put forward its official languages policy. So there is no such thing as imposing or forcing anyone to learn a second language. Let us say simply that the immediate objective of the Official Languages Act is to make the government bilingual, not the citizens it serves.

When the Liberal government introduced the Official Languages Act in 1968, we got the support of all parties represented in the House of Commons. We may discuss the way to implement the policy but the principle of bilingualism remains unchanged. Of course, the government must continue to seek new and better formulas. Personally, I am convinced that we must absolutely turn our priorities toward the survival and expansion of French-speaking minority groups in Canada.

If, on the one hand, considerable amounts of money had to be spent to make the federal civil service bilingual, in many cases allowing unilingual positions to become bilingual, I am convinced, Mr. Speaker, of the importance for Canada to turn our national priorities toward the survival and expansion of French-speaking minority groups in Canada. However considerable, the amounts of money spent to date on federal and provincial programs were justified. On the one hand, a civil service with an English-speaking majority had to be changed to make it receptive and hospitable to French-speaking and bilingual Canadians. On the other hand, we must support the learning of the second language in schools. We must now—and time is running out—provide serious assistance to French-speaking minorities outside Quebec.

Here is an erroneous quotation: "French Canadians outside Quebec are just picturesque. They mix with the English-speaking majority at a frightening rate". PQ members repeat it every day. If there no longer exists a French-speaking minority in English majority provinces in a little while, what is the purpose of spending millions of dollars to put up a bilingual service if there are no Canadians speaking French? It is therefore very important for me to emphasize services to French-speaking minorities outside Quebec so as to ensure their survival and development. French-speaking minorities outside Quebec are for the most part bilingual. Their motivation for becoming bilingual at an early age is essentially an economic one and a social reality. However, I do not think I am wrong in saying that when English-speaking unilinguals learn a second language, their motivation is essentially cultural, and consequently much weaker.

Millions of dollars have been spent in an attempt to help unilingual senior civil servants become bilingual. The figure of $300 million a year has been mentioned. Only 1 per cent of this amount is used for the promotion, survival and support of French-speaking people outside Quebec. Considerable amounts have also been spent with the help of the provinces to promote the teaching of both official languages in our schools. For nearly six years, the federal government has been contributing substantially to the education of official language minority groups and has also been supporting financially the teaching of a second language. Mr. Speaker, six years is not a long time.

We must not forget that, in the past, in the provinces inhabited by large groups of Canadians whose mother tongue is French, these groups did not have equal opportunities for education and that, consequently, until 1968, most of them, or 85 per cent, dropped out of school without finishing the tenth grade. This was not because they were more stupid or not as motivated, it was simply because they did not have access to the funds which would have allowed them to continue their education in French language private institutions or even in the English language public system of that time which was not designed to meet their needs.

Mr. Speaker, we have had French language high schools in Ontario for only six years. Since then, the number of students in Ottawa itself and throughout the province has tripled. Later on, I shall quote figures concerning the number of students enrolled. Since education is so important for any society and because of the difficulty faced throughout our history by French-speaking minorities outside Quebec, I would like to give a more recent and more encouraging picture, at least as concerns my own province, Ontario.

● (1710)

Mr. Speaker, I gathered recent statistics about school attendance for the French-speaking minority in Ontario and about the number of pupils in English schools who study French as a second language. In the elementary, the number of children attending French schools in Ontario is steadily decreasing. That is probably due to the declining birth rate and also, I am afraid, to the rate of assimilation into the English-speaking majority, which is rather worrying. In 1969-70 there were 90,397 French-speaking children in elementary schools; that number is down to 77,568 for the academic year 1975-76.

At the secondary level, figures are a little more encouraging, and vindicate the education policy of the province of Ontario in opening French secondary schools since 1969. That year, the French high-school population was 21,590; now in 1975-76, it is 31,442. Those high school graduates are naturally moving up to post secondary or university education.

At the high school level, we witness an encouraging increase in attendance at post-secondary institutions by the francophone minority. The Algonquin Community College, with 6,000 students, records a marked increase in francophone registrations for the school year 1974-75. As a matter of fact, full time students attending courses given in French now account for nearly 22 per cent of the college population.

At the university level, four institutions are providing courses in French. They are Hearst College, Université Laurentienne, Ottawa University and St. Paul's University. There were 5,132 francophone students attending these institutions in the school year 1974-75, which represents 37 p. 100 of the total incriptions in these institutions. The projections for 1977-78 indicate 5,836 students, or 41.1 per cent.

It is encouraging, Mr. Speaker, to realize that the francophone minority in Ontario is seeking in increasingly larger number a more complete education and therefore greater competence.

As regards the number of English-speaking students registered in elementary schools, statistics show renewed interest in second language learning in Ontario. It is interesting to note that 569,756 students or 39.1 per cent of the school enrolment took French courses as a second language in 1971 and that progressively that number rose to 651,669 in 1975; in other words, 46.9 per cent of English-speaking students registered in English schools took French as a second language.

In high school, the situation is not so encouraging. Where 243,135 students registered for French courses in September 1971, which represented 42.3 per cent of the Ontario population, in 1975 there were only 195, 234 students or 32.3 per cent of the total secondary school enrollment. Obviously then the secondary level registered a sharp decline in second language learning.

I think, Mr. Speaker, that the figures I just quoted show the seriousness of the school policy as regards French-speaking students at the secondary level in Ontario; they also show the seriousness of parents who steered their children towards elementary shools that give second language training. Yet it is alarming to realize that at the secondary level there is growing apathy towards learning a second language and that the students, because of a very permissive system, drop the second language option, be it English or French.

An important factor in the motivation for learning a second language is certainly the lack of leadership in our Canadian

universities. In fact, in recent years Canadian universities have dropped either French or English as a prerequisite for admission to their institutions. Let us hope that Canadian universities will soon realize the merits of language training and that as a prerequisite they will demand language proficiency obtained at the secondary level.

When considering the role of the federal government in the field of minority group education, the problem is considered in relation to language policies, policies which are part of Canadian everyday life. Moreover, those language policies must be considered not only in relation to their effect on equality of learning opportunities, but also in relation to social and professional mobility, as well as to relationships between populations.

In Canada, English is the mother tongue spoken by 60 per cent of Canadians, French by 27 per cent, and a variety of other languages by 13 per cent. Moreover, French-speaking people are not limited to the province of Quebec. Indeed, French-speaking people are also found in New Brunswick, Ontario, Manitoba, Prince Edward Island, Saskatchewan and Alberta. Finally, in certain provinces like New Brunswick, Ontario, Manitoba and Prince Edward Island, there are regions where French-speaking people are the majority.

To this main linguistic division, English-French, we must add linguistic differences of people of Indian or Eskimo origin as well as differences stemming from very diversified groups who wish to maintain contact with their initial cultural background. This category is made up of about three million people. Therefore we must add multiculturalism to the official bilingualism. No need to remind the House that the Confederation was based upon an agreement between two distinct linguistic communities referred to in section 133 of the British North America Act.

Since 1969, the federal act on the implementation of both officials languages has strengthened the bilingual character of Canada. Indeed, this law stipulates that English and French are the official languages of Canada and possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and government of Canada. The option so selected consists in admitting that Canada is in a position to enable both languages and, consequently, both English and French culture to take part in the economic, social and political life throughout the country. To these ends, the federal government established a generous help program for the provinces to enable them to offer teaching in the minority language, and the teaching of the second language, English or French, according to the case. Federal assistance amounts to about $100 million a year.

According to Canadian practices, the provinces are responsible for the implementation of the federal programs of assistance to bilingualism. Consequently, the establishment of policies on bilingualism is made in different ways and is based on different structures. This question of assistance to bilingual teaching gives a good illustration of the difficulties and the ambiguities we notice when the federal government is prepared to give credits, and the provinces, for constitutional reasons, want to avoid even the appearance of a communication with Ottawa.

In view of the sensitive nature of those relations, it is hard to say whether the objective of assistance to bilingualism can be achieved through education. I recognize, like many others, the merits of that hope and the willingness to achieve it. But the fact remains that the implementation of bilingualism in schools is not uniformly successful. One recognizes readily that immersion programs in kindergartens, primary and secondary schools are successful. However, one must admit that there is an insufficient number of organized courses, that there is a shortage of qualified teachers in that field. In this regard, worthy efforts are being made by granting bursaries to 5,000 teachers to enable them to get the proper training. Since 1973, efforts have been made to train teachers; those efforts should considerably improve the quality of their training for that profession.

I am of those, Mr. Speaker, who have often criticized the use the provinces made of federal funds earmarked for the official languages program. With several others, I share doubts about the use made of those funds and I recognize the constitutional limitations that restrict the federal government in its role as watch dog over the setting up of those programs and the spending of the funds.

French-speaking Canadians residing outside Quebec often deplore the lack of administrative and educational structures; they often call to our attention the powers of local school boards, seldom willing to set up French language schools or training courses in the second language; and finally, we often see a position through which the authorities want to "bilingualize" the institutions of these francophone Canadians, a situation which is not likely to help them keep their mother tongue nor, the way I see it, is it likely to encourage them to learn English.

It goes without saying that bilingualism is one of the most important political problems of the Canadian federation or Confederation, a problem which, in spite of the advancement achieved, can have a critical impact on the education policy. The main problem lies in that while French is considered to be the equal of English as one of the two official languages, that position remains nonetheless quite unequal.

And so it is that the French-speaking minority in Canada, whether implicitly or explicitly, requires a special kind of protection, greater than that of official equality, in order to defend itself against the risk of anglicization. Francophones, particularly those residing outside Quebec, maintain not without reason that the constitutional French-speaking element of the Canadian federation is an essential part of the creation and maintenance of separate national identities. Indeed, without the strong attachment of the French-speaking community to its language and its culture, such a national identity would have been absorbed in the greater context of English-speaking North America. That is enough to justify the need to take measures which promote a French culture in Canada with the support of the federal government, since it is the only way to create a national Canadian spirit comprising both cultures.

Expenditures earmarked for second language courses should aim mostly at preserving the French language in every part of the provinces with a high percentage of Francophones. In this regard, I readily endorse a recommendation contained in the examiners' report on the organization for Economic Corporation and Development (OECD) concerning the need to establish in Canada a national education council. In their report, published in August, 1976, the OECD examiners proposed the establishment of a national education council subsidized by the federal government and responsible for the development of French culture in Canada.

I urge hon. members to obtain a copy of a study I commissioned to Mr. Henri-Georges Belleau, of the research section of the Library of Parliament, dated October 15, 1976. I want to thank and command Mr. Belleau for his well-documented and very interesting paper. I had asked Mr. Belleau to do research on two points. First, I had asked him to summarize the OCED report on educational policies in Canada and then to examine the following question: How far can the Federal government go, as far as educational matters are concerned, without infringing the BNA Act? I would like to read into the record the conclusions of Mr. Belleau's study. I quote:

> We have seen that the federal government does not deal directly or officially with educational matters. The involment of the federal government is by means of grants and transfer payments for post-secondary education; in addition, training courses are provided by the Department of Manpower and Immigration . . .
>
> Finally, as far as the training in a second language is concerned, we should aim to maintain the French language as a living language in all areas of the provinces where there is a well-established French-speaking community. Besides, the OCED investigators would recommend the creation of a national council financed by the federal government, which would promote the development of the French culture.

To conclude, Mr. Speaker, if one wishes to maintain, develop and promote a Canada in which the French language will not be used extensively only in Quebec and considered elsewhere as a bit of folklore, we will have to try and support French-speaking communities outside Quebec that will show a common will to respect, promote and maintain the survival and growth of their language. If French to be used exclusively in Quebec and English in all other part of Canada, we are shifting dangerously towards a separation. What is the use of the federal governement promoting this pan-Canadian institutionalized bilingualism if in fact the bilingual services are not needed?

Mr. Speaker, I am one of those who have faith in the future and who sincerely think that we can build a country respectful and proud of its history, of its various elements and of its differences. We are not talking about a uniform Canada, we are talking about a united Canada.

● (1720)

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I had not intended to take part in this debate, but the subamendment moved by the hon. member for Yorkton-Melville (Mr. Nystrom), the constituency adjoining my own, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin) has moved me to say a few words and suggest that we on this side of the House will be unable to support the subamendment. I feel it is not at all in keeping with the amendments presented by my party and, in effect, would destroy the effectiveness of our amendment, which cites the lack of co-ordination between federal and provincial authorities involving the management of our agriculture in general. In particular, it detracts from the very serious problems faced by the beef industry as a result of excessive imports of beef from Australia and New Zealand. This beef problem obviously is one of the most important questions facing farmers both in western Canada and all across the country. Indeed, it affects the farmers in Australia, New Zealand and the United States.

In his subamendment the hon. member for Yorkton-Melville cites the need to place the marketing of all prairie grains under the sole jurisdiction of the Canadian Wheat Board. Surely this is something which should be decided by the producers. I might remind my friends that the wheat pools, the UGG and the NFU do not necessarily speak completely for their rank and file. Certainly, many farmers have shown their opposition to having feed grains placed under the sole jurisdiction of the Canadian Wheat Board.

Some time ago a plebescite was held relating to rapeseed. At that time the growers did not wish to have their grain under the jurisdiction of the Canadian Wheat Board. We may feel it was an incorrect decision, but it was their decision. I think we, as members of this House, must be aware of the very important fact that the growers should be the people who make the decision as to whether or not their grains should come under the jurisdiction of the Canadian Wheat Board. The problems of the Wheat Board are great. It is easy for the Wheat Board to sell on world markets and satisfy the growers and all segments of our country, but the problem is different when the Wheat Board must be a buyer and a seller within our country.

What about the problems we experienced in respect of feed grains in 1969 and 1970? How would they have been solved? So I suggest this is not the way in which the feed grain, rapeseed or flax situations should be solved without a plebescite of the growers.

The Acting Speaker (Mr. Turner): Order, please. It being 5.30 p.m., it is my duty, pursuant to section 4 of Standing Order 38, to interrupt these proceedings and put forthwith the question necessary to dispose of any amendment or amendments now before the House.

● (1730)

The question, therefore, is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Turner): All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

● (1740)

(*Division No. 3*)

YEAS

Messrs.

Benjamin
Blackburn
Broadbent
Douglas (Nanaimo-Cowichan-The Islands)
Firth
Gilbert
Hogan
Knowles (Winnipeg North Centre)
Nystrom
Orlikow
Peters
Rodriguez
Saltsman
Symes—14

NAYS

Messrs.

Abbott
Alkenbrack
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Baker (Gander-Twillingate)
Baker (Grenville-Carleton)
Basford
Bawden
Beatty
Béchard
Bégin (Miss)
Blais
Blouin
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Campbell (LaSalle-Émard-Côte Saint-Paul)
Caouette (Villeneuve)
Chrétien
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Clermont
Coates
Collenette
Condon
Corbin
Corriveau
Cossitt
Côté
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
De Bané
Demers
Diefenbaker
Dinsdale
Dionne (Kamouraska)
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Ethier
Faulkner
Fleming
Flynn
Forrestall
Foster
Fox
Francis
Friesen
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Grafftey
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Halliday
Hargrave
Harquail
Hees
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Huntington
Hurlburt
Isabelle
Jamieson
Jarvis
Jelinek
Joyal
Kaplan
Kempling
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lalonde
Lambert (Bellechasse)
Landers
Lang
Langlois
Laniel
Laprise
La Salle
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
MacDonald (Cardigan)
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacFarlane
MacGuigan
MacKay
Maine
Malone
Marceau
Marchand (Langelier)
Martin
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinnon
McRae
Milne
Mitges
Muir
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
Nowlan
Oberle
Olivier
O'Sullivan
Ouellet
Paproski
Parent
Patterson
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Reynolds
Ritchie
Roberts
Roche
Rompkey
Rooney
Roy (Timmins)
Roy (Laval)
Rynard
Sauvé (Mrs.)
Schellenberger
Schumacher
Sharp
Skoreyko
Smith (Saint-Jean)
Stanfield
Stewart (Marquette)
Stewart (Cochrane)
Stollery
Tessier
Towers
Trudel
Turner
Wagner
Watson
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yanakis
Yewchuk
Young—188

● (1750)

Mr. Speaker: I declare the amendment to the amendment lost. The question, therefore, is on the amendment of the hon. member for Elgin (Mr. Wise).

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

(*Division No. 4*)

YEAS

Messrs.

Alkenbrack
Baker (Grenville-Carleton)
Bawden
Beatty
Benjamin
Blackburn
Broadbent
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Coates
Cossitt
Crouse
Darling
Diefenbaker
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Firth
Forrestall
Friesen
Gilbert
Grafftey
Halliday
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Huntington
Hurlburt
Jarvis
Jelinek
Kempling
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Laprise
La Salle
MacDonald (Egmont)
MacKay
Malone
Matte
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinnon
Mitges
Muir
Murta
Neil
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
O'Sullivan
Paproski
Patterson
Peters
Reynolds
Ritchie
Roche
Rodriguez
Rynard
Saltsman
Schellenberger
Schumacher
Skoreyko
Stanfield
Stewart (Marquette)
Symes
Towers
Wagner
Wenman
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—85

NAYS

Messrs.

Abbott
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Blouin
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Chrétien
Clermont
Collenette
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay
(St. Boniface)
Guay
(Lévis)
Guilbault
Haidasz
Harquail
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Laniel
Leblanc
(Laurier)
LeBlanc
(Westmorland-Ke
Lee
Lefebvre
Lessard
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Maine
Marceau
Marchand
(Langelier)
Martin
McRae
Milne
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Railton
Raines
Roberts
Rompkey
Rooney
Roy
(Timmins)
Roy
(Laval)
Sauvé (Mrs.)
Sharp
Smith
(Saint-Jean)
Stewart
(Cochrane)
Stollery
Tessier
Trudel
Turner
Watson
Yanakis
Young—117

Mr. Speaker: I declare the amendment lost.

It being after six o'clock, this House stands adjourned until eleven o'clock tomorrow morning.

At 6:05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, October 21, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

STATISTICS CANADA

PROPOSED MINISTERIAL INQUIRY INTO ALLEGED BREACHES OF CONFIDENTIALITY—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the importance of a full and complete briefing for the Minister of Industry, Trade and Commerce (Mr. Chrétien) concerning the situation at Statistics Canada, particularly since the report in the *Gazette* this morning goes beyond his statement in the House yesterday, and since it is of the importance of the integrity of Statistics Canada, and to remove the shadow over public servants employed there, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Industry, Trade and Commerce institute a full ministerial inquiry into all of the facts and circumstances surrounding the alleged breaches of confidentiality at Statistics Canada and that he make a statement on motions at the earliest opportunity.

Mr. Speaker: Order, please. Such motion can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

COMBINES

SUGGESTED ACTION TO END COLLUSION BETWEEN OTTAWA "JOURNAL" AND "CITIZEN"—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the Minister of Consumer and Corporate Affairs to take whatever action is necessary to end the apparent collusion by the management of the Ottawa *Citizen* and the *Journal*.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SEARCH AND RESCUE

SUGGESTED INQUIRY INTO ABANDONING OF THE "GABRIELLA"—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43. In view of the tragic loss of 13 seamen from the freighter *Gabriella* who died from exposure within 60 miles of the southeast coast of Newfoundland and the apparent failure of the air-sea rescue centre at Halifax to provide an immediate response to the *Gabriella's* distress call, I move, seconded by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That the Minister of Transport order a judicial inquiry into the abandoning of the MV *Gabriella* with the loss of 13 lives.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ATOMIC ENERGY CONTROL BOARD

REQUEST THAT BOARD MAKE PUBLIC FINDINGS RELATING TO RADIOACTIVE LEAKS AT ELLIOT LAKE—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity. Since a very serious situation concerning radioactive leaks has been disclosed in Elliot Lake, the Atomic Energy Control Board being determined to maintain tight-lipped secrecy with respect to possible health hazards to residents of Elliot Lake, and since the citizens of the community have a right to know the measures which have been and will be taken to assess the situation, I move, seconded by the hon. member for Sault Ste. Marie (Mr. Symes):

That the Minister of Energy, Mines and Resources instruct the Atomic Energy Control Board to make its findings on the present situation public and also to call a full public inquiry as to the scope of the radiation hazard not only in the town of Elliot Lake, but also the surrounding district.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

SUGGESTION THAT GOVERNMENT INDICATE MINISTER RESPONSIBLE FOR AGENCY—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I wish to move a motion under Standing Order 43. Because of the serious, internal confusion in CIDA concerning which minister is in charge of this $1 billion agency, I move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the government immediately clarify this situation and reassure the public of Canada that CIDA's operation is being scrutinized daily, by stating which minister is in charge and responsible to parliament.

Mr. Speaker: Such motion pursuant to Standing Order 43 can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

REQUEST FOR MEASURES TO PROVIDE INCENTIVES FOR CONSTRUCTION COMPANIES—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the shift in housing activities, in the form of money expenditure and ingenuity, from Canada to the United States, and in view of near zero vacancy rates in rental accommodation in most large urban centres that reflects most drastically on native and low income families, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House direct the Minister of State for Urban Affairs to introduce legislation immediately that would entice Canadians to channel Canadian equity capital and know-how back into Canada, to provide shelter for Canadians.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such motion can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Rodriguez.]

• (1110)

CANADIAN BROADCASTING CORPORATION

PROPOSED COMMITTEE STUDY OF REASONS FOR ALLEGED AFFRONT TO PREMIER OF QUEBEC—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in accordance with Standing Order 43, on a matter of urgent and pressing necessity, the urgency being the effect on the outcome of the election campaign in the province of Quebec, I move, seconded by the hon. member for Maisonneuve-Rosemont (Mr. Joyal):

That the government cause to be brought immediately before the Standing Committee on Broadcasting, Films and Assistance to the Arts, the responsible officers of the Canadian Broadcasting Corporation for the purpose of explaining the circumstances leading to the recent affront to the premier of the province of Quebec, the response of the officers to that action and the intentions of Radio Canada to prevent similar future interference with free communication in publicly financed television programming.

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

STATISTICS CANADA

DATE ON WHICH PREVIOUS MINISTER BECAME AWARE OF COMMERCIAL ACTIVITIES OF CERTAIN EMPLOYEES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. Further to the information conveyed to this House yesterday by the minister, I should like to ask him in the interim, particularly in view of reports which appeared in the press, if he has become more aware of the details of the commercial or extra-curricular activities of the Statistics Canada employees as they relate to Statistics Canada data, and can he now say when his predecessor in office at the relevant time became aware of what was going on in this respect?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I did not really talk to the newsmen in the same precise terms I used in the House, I merely stated, in substance, what I had said. I did not want to name any names because I want to protect the reputation of the people who have been penalized and who, according to the RCMP itself, had not committed any criminal offence. At the time, Statistics Canada management had informed the then minister about the inquiry made by the RCMP. As far as I can see, I believe everything has been conducted according to standards prevailing in the administration. If some people have supplementary information, I would ask them to communicate it to

the RCMP who, in such circumstances, always carry out their duty properly.

[*English*]

MEASURES TO PROTECT CONFIDENTIALITY OF INFORMATION AND INTEGRITY OF EMPLOYEES—GOVERNMENT ACTION

Mr. Elmer M. MacKay (Central Nova): I again thank the minister for his answer. Has the minister had the opportunity, since assuming his latest portfolio, to have a general briefing on the operations of Statistics Canada? Is he satisfied at this point that the House has all the information to which it is entitled, and that all proper and necessary action has been taken to protect the confidentiality and integrity of this important department as well as the integrity of the overwhelming majority of the employees there?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, since my appointment to this department I have had many opportunities to meet with the Director of Statistics Canada, Mr. Kirkham. I am satisfied that Statistics Canada takes all necessary action to protect the confidentiality of information. Mr. Kirkham told me that he, also, was satisfied but that he would do everything possible to ensure that the integrity of this agency of international standing be protected.

[*English*]

Mr. MacKay: Will the minister agree that the sale of data for private gain of statistics derived from confidential sources on an organized basis is a matter of grave concern, and will he undertake to have answered with as much dispatch as possible, the several questions which I will be having placed on the order paper today?

[*Translation*]

Mr. Chrétien: Mr. Speaker, first of all let me state that I am satisfied, following the RCM police report, that the information which the penalized employees have used was not confidential. It had already been made public. I shall endeavour to answer all the hon. member's questions, as I did this week. I shall answer all the questions in today's order paper.

[*English*]

DATE ON WHICH CHIEF STATISTICIAN BECAME AWARE OF BREACHES OF CONFIDENTIALITY

Mr. Walter Baker (Grenville-Carleton): A supplementary to the Minister of Industry, Trade and Commerce—I realize the minister has not had much time in which to look into this. Could he inform the House when the then Chief Statistician of Statistics Canada was first informed of the activities which have been the subject of questions for the last couple of days?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know exactly all the dates and all the details. I am satisfied that, at that time, the official mentioned by the hon. member acted diligently and warned the police as quickly as possible, and the RCMP reported there was no criminal act under the circumstances. The director imposed the penalty which was required for a little indiscretion on the part of the officials involved.

[*English*]

STATUS OF INVESTIGATION INTO BREACHES OF CONFIDENTIALITY—REQUEST FOR REPORT

Mr. Walter Baker (Grenville-Carleton): That is not really the answer to the question, though I can understand the problem the minister may have with respect to it. Can I assume from his answers today that the investigation is proceeding, that he is expecting to be more fully briefed as time proceeds and that we may expect a full statement at the end of this briefing?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I made a statement to the House yesterday and I am satisfied. I have been briefed. The first day these questions were raised I asked the director to come to talk to me. I waited until the hon. member for Central Nova came into the House before making my reply. I am satisfied. I do not want to continue on the basis of innuendos. If there are any allegations of criminal conduct, the RCMP will investigate them but I do not like this business of throwing innuendos around. If you have any accusations, have the guts to stand up and make them.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): The question is a very simple one. Has the investigation been completed or is it still being carried on within the department, and is the minister satisfied, if it has been completed, that he has all the information?

Mr. Chrétien: These incidents arose two years ago and I think the matter was handled properly at that time. On the facts I have, I do not intend to carry on. As far as I am concerned, I am satisfied. It was two years ago. Some penalty was imposed. If hon. members have any new information, let them give it to me. I am here. I will defend the integrity of Statistics Canada, as is my duty, and I am very surprised that the hon. member for Grenville-Carleton should try to cast some doubt upon it.

Some hon. Members: Hear, hear!

* * *

ATOMIC ENERGY CONTROL BOARD

REQUEST FOR DETAILS OF BOARD'S PLAN TO TEST FOR RADIOACTIVE LEAKS AT ELLIOT LAKE

Mr. R. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In his absence, might I direct it to the acting minister? In view

of the disclosure that many homes in Elliot Lake are subject to radiation leakage and that unacceptable levels of radon gas have been found, will the minister offer the House details of the proposed testing plans by the Atomic Energy Control Board so that we might have a clearer idea of those plans than was supplied by the hon. member for Algoma to the *Globe and Mail*?

Mr. Maurice Dupras (Parliamentary Secretary to the Minister of Energy, Mines and Resources): The Atomic Energy Control Board will be making an announcement on this matter very likely today.

Mr. Symes: I welcome that statement. I hope the announcement will meet the questions the people of Elliot Lake are asking. Can the hon. gentleman assure the people of Elliot Lake that during the investigation by AECB an opportunity will be provided to the general public to come forward with constructive criticisms and suggestions and that the findings of the Board will be made public?

Mr. Dupras: Yes, Mr. Speaker.

* * *

● (1120)

ENERGY

SUGGESTED REVISION OF STANDARDS FOR RADIOACTIVE CONCENTRATIONS FOR CERTAIN COMMUNITIES

Mr. R. Cyril Symes (Sault Ste. Marie): A final supplementary question, Mr. Speaker. In view of the fact that current standards for acceptable radiation levels are based upon the effects of radioactive concentrations on the general public, would the government consider amending those standards for communities such as Elliot Lake where workers already are subject to higher radiation levels in the mines, where some waters are contaminated, and where many homes may contain excessive radioactive concentrations in their foundations?

Mr. Maurice Dupras (Parliamentary Secretary to the Minister of Energy, Mines and Resources): Mr. Speaker, I will take this last question as notice.

* * *

[*Translation*]

FINANCE

REQUEST FOR MORE CONTROL OF INTEREST RATES—POSSIBILITY OF MEETING WITH GOVERNOR OF BANK OF CANADA

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I wish to put a question to the Minister of Finance.

In view of the increases in interest rates we have witnessed in the last five years, and as it seems that interest rates will go up by another ¾ of 1 per cent within a month, and in view of the fact that this is one of the major causes of the runaway inflation we have had in recent years, can the minister tell us whether he will do something to see to it that interest rates are lower in Canada in the near future?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have no suggestions to make at this time with regard to interest rates. As the hon. member knows, interest rates depend on the market and the monetary policy of the government. The monetary policy is set by the governor of the Bank of Canada, after consultation, and its aim is to reduce the level of inflation in Canada. That is why I cannot propose to the House, for instance, an increase in the monetary supply to reduce interest rates.

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

Before discussing with the Bank of Canada the new formula the minister will be introducing, can the minister tell us whether he will be meeting the governor of the Bank of Canada with a view to lowering interest rates, so that the situation can be more normal in terms of our American neighbours?

Mr. Macdonald (Rosedale): Mr. Speaker, I met the governor this week to discuss this matter and others as well, but the fact is that we have a higher level of inflation than the United States. With such a level of inflation, it is inevitable that there should be a difference between interest rates in Canada and in the United States.

* * *

[*English*]

NATIONAL CAPITAL COMMISSION

ROLE OF COMMISSION IN LES TERRASSES DE LA CHAUDIÈRE PROJECT—ALLEGED CONFLICT OF INTEREST

Mr. Ron Huntington (Capilano): Mr. Speaker, since the Minister of Public Works has apparently left the House, I should like to direct my question to the Minister of State for Urban Affairs. As minister in charge of the agency, the National Capital Commission, that negotiated Les Terrasses de la Chaudière project for the Department of Public Works, has he satisfied himself that there are no conflicts of interest involved in the deliberations and negotiations leading to this "confirmed and binding contract"?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, the role of the National Capital Commission was merely that of acquiring the land, from Quebec Hydro I believe. The negotiations were conducted by the Department of Public Works, and I can assure him that my colleague, who has been very open with all the information, will be very pleased to answer any question respecting the negotiations themselves.

Mr. Huntington: A supplementary question, Mr. Speaker. Perhaps the Minister of State for Urban Affairs would take the time to examine the minutes of the various committees whose deliberations led up to this contract. I would ask him whether he is aware or has taken the time to become aware

that at least two members of the various NCC committees studying and ruling on this project were at one time or the other acting for and on behalf of the Campeau Corporation during committee deliberations?

Mr. Danson: Mr. Speaker, I wish I had time to read all those minutes. I am not aware of that but I will check into it.

* * *

SOCIAL SECURITY

POSSIBILITY INFORMATION SUPPLIED PRIVATE FIRMS BY DEPARTMENT—GOVERNMENT POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of National Health and Welfare which arises out of a challenge thrown out by the Minister of Industry, Trade and Commerce regarding knowledge of information being given out by government officials. Perhaps the Minister of Industry, Trade and Commerce would listen. Is the Minister of National Health and Welfare aware of any information that at any time came from members of his department? I ask that particularly because of the fact that after I received my first pension cheque I got a letter from a firm of funeral directors offering me their services.

Some hon. Members: Oh, oh!

An hon. Member: Don't feel boxed in.

Some hon. Members: Oh, oh!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, my seat mate suggests and hopes that my colleague does not feel boxed in in this situation.

[*Translation*]

Various allegations on this matter were made in the past, and all our investigations indicate that the information gathered by non-governmental agencies do not seem to flow from any governmental source. Last year, an allegation was made about a certain American company; we investigated and it was found that the information gathered by those private agencies did not come from the department or the government. In fact, in the last case we analyzed on this matter, the company concerned agreed to add a specific note indicating that governments were not the source of information concerning the lists of individuals to which it sent information.

* * *

[*English*]

FISHERIES

REASON FOR DELAY IN ASSISTANCE TO IRISH MOSS HARVESTERS

Mr. David MacDonald (Egmont): Mr. Speaker, on July 16 of this year the Prince Edward Island Fishermen's Association requested assistance for Irish moss harvesters whose loss of income they suggest threatens severe economic depression in the area. It now appears the very earliest they will receive a response is mid-November, four months after their initial request. Will the Minister of Fisheries explain why his department has been so slow in responding, why it took a month and a half before his Halifax office was even requested to report, and why it has not been resolved under which program the assistance could be offered?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, I do not accept all the allegations contained in the hon. member's question. Certainly, if there has been slowness it has been because the whole market for Irish moss, which is the issue here, has been extremely complicated. Officials have met with the Prince Edward Island Fishermen's Association. In fact, I am expecting a report now, which report has to be looked at and a recommendation made, as the law requires, by the Fisheries Prices Support Board. Then a decision will be made. The market conditions for that product are extremely difficult.

Mr. MacDonald (Egmont): Mr. Speaker, as the minister well knows, both the market and the amount of crop available in the last year or two have declined quite substantially. In light of investigations that have been made by his department, and particularly the concerns expressed by the minister about the whole marketing situation, can he indicate whether action is being taken within his department to accelerate both its research in terms of the yield of the basic raw material of Irish moss, as well as the substantial measures that could improve marketing information on behalf of his and related departments?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, because of the newness of the industry a lot of basic information has not yet been compiled, for example, possible licencing conditions, best conditions for harvesting, etc. We have a lot of work to do. This is a new area and we still do not have the answers to some of the questions asked by the hon. member.

* * *

COMBINES

ALLEGED COLLUSION BETWEEN OTTAWA "JOURNAL" AND "CITIZEN"—GOVERNMENT ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I direct my question to the Minister of Consumer and Corporate Affairs. In view of a statement made yesterday by the executive editor of the Ottawa *Citizen* who said that the publishers of his paper and the *Journal* were forced to coordinate their strategies, and added:

> It's like having the Ottawa Rough Riders play the Montreal Alouettes. The players compete viciously on the field, but the men who own both teams are directors of the Canadian Football League. They sit in the same offices to make sure the league is profitable and well-run.

In light of that, may I ask the minister whether he has obtained some advice from the director of the Combines

Investigation Branch and, if he has, can he tell us what action is to be taken?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure whether the hon. member is recommending that we go after the football league or after the newspapers, but the fact is that he can ask the question he asked yesterday in four or five different ways every day but I have to give him the same answer. I said I had a statutory obligation to bring his question to the attention of the director and the director, if asked, will conduct an investigation. Beyond that I am following the long-standing practice of not commenting further on the matter in the House.

● (1130)

Mr. Nystrom: In view of the apparent collusion, as admitted by the editor of the paper yesterday, which admission I quoted, I should like to ask the minister whether he is asking the Combines Investigation Branch to perhaps expand its investigation to include all FP and Southam newspapers?

Mr. Abbott: Mr. Speaker, I will simply direct the member's question to the attention of the director. No doubt he will be interested in the hon. member's further comments today.

* * *

EXTERNAL AFFAIRS

PROHIBITION AGAINST UNITED STATES SUBSIDIARIES TRADING WITH COUNTRIES ENGAGED IN BOYCOTTS—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has to do with legislation now before the United States Congress prohibiting United States subsidiary companies from trading with countries engaged in discriminatory boycotts. The legislation in question would wipe out U.S. oil imports from Arab countries. Of course, that is the business of the United States and not ours but it could also stop up to 35 per cent of Canadian oil imports. When the minister was in Washington recently and met with the Secretary of State, was this matter taken up and was there a protest on the part of the Canadian government against the all too frequent attitude taken by the United States of endeavouring to pass legislation that is extra-territorial in its effect and which results in economic difficulties, particularly for those companies that are Canadian subsidiaries of United States companies.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the legislation to which the right hon. member is referring is the bill which did not, in fact, get final passage before Congress rose and the session ended. Therefore, this legislation referred to in the article is not law in the United States. The hon. gentleman is quite right. There was considerable concern for obvious reasons about its possible extra-territoriality and when I met with Mr. Kissinger originally in New York at the United Nations, I made clear to him

that had the bill passed we would certainly have taken, I suppose the appropriate word is, a dim view of it and would have had to take some action. For the reasons I mentioned, the adjournment of the Congress, that has not been necessary, but we are keeping a very close watch on this legislation which has extra-territorial implications for Canada.

Mr. Diefenbaker: Mr. Speaker, I realize the situation, but the legislation is still before Congress, although held in abeyance because of the adjournment. However, there is every indication it will be passed. Arising out of that, I wish to ask him about the strong opinion he expressed during the recent visit of Foreign Minister Arat of Israel in connection with the boycott being repugnant to Canada and that a new Canadian policy on this matter will come out of cabinet shortly. Has the cabinet made its decision, and what is the nature of the legislation the government has in mind in this regard in order to meet a situation which indeed is repugnant to Canadians in general.

Mr. Jamieson: Mr. Speaker, for the very reasons the right hon. member mentioned a few moments ago in relation to the United States situation, legislation is an alternative which might be extremely difficult to implement. Insofar as the policy with regard to boycott is concerned, I am glad to tell the hon. member that I will be making a statement on motions on this subject within the hour.

* * *

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

MINISTER RESPONSIBLE FOR AGENCY

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is for the deputy Prime Minister. As it has been announced that the former Secretary of State for External Affairs is retaining his chairmanship of the North-South Conference on International Economic Co-operation, I wish to ask whether the minister can now confirm that consideration is being given to his also retaining parliamentary responsibility for CIDA, a $1 billion agency, and that the rationale for such a move would be to ensure consistency in government policy so that the work of CIDA and the North-South Conference is harmonized.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, it is true, at least for the time being, that I am carrying on my responsibilities as co-chairman of the Conference on International Economic Co-operation. The Secretary of State for External Affairs is responsible to parliament for the operation of the Canadian International Development Agency.

EXTERNAL AFFAIRS

REQUEST FOR RECONSTITUTION OF COMMITTEE ON INTERNATIONAL DEVELOPMENT

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. Can the minister assure the House that he is giving daily scrutiny to CIDA which spends $2.7 million a day and is also giving consideration to the reconstitution during this session of Parliament of the sub-committee on international development so that the government's office of strategy can continue to receive parliamentary attention.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, on the first part of the question I have in fact been spending a good deal of time during these last weeks looking into and examining CIDA's operations. It is conceivable that I will be anticipating putting into force some changes, but it would be premature for me to say so at this time.

On the question of the establishment of the committee, I have had some representations on this question. On the face of it I do not see any reason why not, but if the hon. member will have a little patience I would be glad to discuss it with him and others to see how it could be done.

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CONSUMER AFFAIRS

REASON FOR FAILURE OF MINISTER OF AGRICULTURE TO RELEASE REPORTS ON MEAT PACKING PLANTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It has to do with governmental secrecy and the right of Canadian consumers to be properly informed. Has the minister's department communicated with the Minister of Agriculture to ascertain why he would not make public reports relating to unsanitary conditions in Canadian meat-packing plants when the same reports relating to these plants have been made available in the United States under its Freedom of Information Act.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am unfamiliar with that matter but I will take it up with the Minister of Agriculture.

Perhaps while I am on my feet I might refer to an analagous question raised by the hon. member in respect of motor vehicle safety in relation to the motor vehicles branch of the Department of Transport. I understand that the statistical facts being collected by that department perhaps will be more widely circulated. I suggest that the hon. member ask the Minister of Transport about this. I am afraid I have no information on the point he raised about the Minister of Agriculture.

Mr. Grafftey: Mr. Speaker, whether or not the minister has information, the fact is that the information relating to unsanitary conditions in Canadian meat packing plants made public in the United States in the interest of consumers was not made public in Canada. Will the minister assure the House that he will communicate with the Minister of Agriculture, and assure the House and Canadian consumers that in the future such reports will be made public in Canada in the interest of Canadian consumers who should have access to such information as is the case in the United States.

Mr. Abbott: Mr. Speaker, I can certainly assure the hon. member that I will consult with the Minister of Agriculture and if the hon. member's point appears as valid as his convincing manner seems to make it we will follow the example of the United States.

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EXTERNAL AFFAIRS

INQUIRY WHETHER MINISTER WILL CONTINUE RESPONSIBILITY FOR CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question which is supplementary to that of my colleague from Edmonton-Strathcona. It is directed to the Secretary of State for External Affairs. I wonder if the minister can advise us whether it is the policy of the government that CIDA will continue to report to and through the Secretary of State for External Affairs and not any other minister.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, that certainly is the policy at the present time. I cannot say for the long-term future what the likelihood will be. As you know, a number of suggestions have come—some, I believe, from hon. members opposite—about having a minister with special responsibilities in that area, but nothing of that nature is in place at the moment.

* * *

● (1140)

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

POSSIBILITY MINISTERIAL RESPONSIBILITY FOR AGENCY WILL BE CHANGED

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have another supplementary question for the Acting Prime Minister. Is the question of shifting responsibility for CIDA under active consideration now by the government and can we expect an announcement on that matter in the foreseeable future?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the question of the organization of the government, as the hon. member knows is the prime responsibility of the Prime Minister. Certainly, I can assure the hon. member that no consideration is being given to this question by the govern-

ment as a whole. What is in the mind of the Prime Minister will have to be disclosed on his return from Japan.

Some hon. Members: Oh, oh!

An hon. Member: No one knows. Even you don't know what goes on.

* * *

CANADIAN BROADCASTING CORPORATION

ALLEGATION OF BIAS IN PROGRAMMING—SUGGESTED INVESTIGATION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, my question is for the Secretary of State. Is the minister aware of the often expressed criticisms of bias in the programming of the publicly financed Canadian Broadcasting Corporation? Has he investigated the veracity of one of the reasons given by Lloyd Robertson for his recent resignation, and how does he reconcile this with this week's well publicised action of Radio-Canada in Quebec?

Hon. John Roberts (Secretary of State): I am not sure which of those facts the hon. member is asking me to investigate.

* * *

THE CANADIAN ECONOMY

REPORT ON INCOME DISTRIBUTION—GOVERNMENT ACTION TO AID LOW INCOME GROUP

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of Finance. Has the minister had an opportunity to study the OECD report on income distribution which indicates that the bottom fifth of Canada's population has one of the lowest shares of total income of the country of any of the OECD countries and if he has, can he say whether the government is contemplating any measures to correct that deplorable situation?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I share the hon. member's concern about that particular report. I have asked my officials to give it close study and analysis to indicate the extent to which they would agree with the conclusions.

Mr. Orlikow: In view of the claims of the Prime Minister and the Minister of Finance that one of the major purposes of the Anti-Inflation Program was to protect the poorest people in this country, would the minister care to indicate what he intends to do as a result of the figures published by Statistics Canada which show that for 1975 the income of the lowest fifth of the population in Canada has dropped to less than 4 per cent of the gross national product?

Mr. Macdonald (Rosedale): Since that was for 1975, during three quarters of which one had the rapidly rising increase in settlements in favour of other people in the work force but not on behalf of those who are not in the organized sector, I would say that the prices and incomes program has proved effectively capable of preventing the situation of that group from being exacerbated further. Going back to the fundamental question, it does remain a basic policy of this government, as it has been of Liberal governments in the past, to protect this particular group in the community, and we will continue to be active in that respect.

Some hon. Members: Hear, hear!

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[*Translation*]

INDIAN AFFAIRS

JAMES BAY PROJECT—INQUIRY IF INUIT HAVE ASKED FOR FINANCIAL AID

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Can he tell the House whether the Quebec Inuit Association sent him a request for financial support to finalize the agreement with the government of Quebec concerning the James Bay power development. If so, can the minister indicate whether this request was agreed to?

[*English*]

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, as far as I know I have not received demands for additional moneys, although I did receive a request from the Association of Northern Quebec Inuit to help them with their negotiations with Quebec. I met them a couple of weeks ago and I will be meeting them again this coming Monday.

* * *

FINANCE

SALE OF GOLD BY INTERNATIONAL MONETARY FUND—EFFECT ON EMPLOYMENT AND GOLD RESERVES IN CANADA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Does the minister agree with the policy on the sale of gold by the International Monetary Fund which has contributed to depressing the price of gold and which in turn, has caused considerable unemployment in our gold centres as well as running down the value of our own reserves?

Hon. Donald S. Macdonald (Minister of Finance): In general terms, we have approved the policy of the International Monetary Fund to conduct gold auctions for the purpose of generating additional funds to assist the less developed countries, particularly those in the group with a per capita income of less than $200 a year. At the Manila meeting, however, on behalf of the government, I did express some criticism of the manner in which the auction was being conducted which, in

our opinion, may well be yielding less from these sales than if they were conducted in a more flexible way. I urged upon the executive directors of the International Monetary Fund a more flexible policy which would maintain the price of gold both in the interest of the developing countries and the interest of Canadian gold producing communities.

SUGGESTED DISBANDING OF INTERNATIONAL MONETARY FUND—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Can the minister tell the House what role he envisages for the IMF in the future, or should the IMF be disbanded, as many people seem to think?

Hon. Donald S. Macdonald (Minister of Finance): No, it should not, Mr. Speaker. In the course of the current session I will have the opportunity of introducing amendments to the Bretton Woods Agreement Act which indicate the role that the International Monetary Fund and the World Bank will continue to play. Of course, gold has been replaced by special drawing rights as an international asset in addition to currency reserves in some countries, and we think the fund will continue to play a significant role in assisting countries with balance of payments difficulties.

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PENITENTIARIES

BRITISH COLUMBIA—TRANSFER OF INMATES TO MEDIUM SECURITY INSTITUTIONS—REQUEST FOR REPORT ON PRECAUTIONS

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I should like to direct my question to the Solicitor General. As a considerable number of inmates from the British Columbia penitentiary have already been transferred to the Matsqui institution at Abbotsford following one of the more recent hostage-taking incidents, can the Solicitor General tell the House whether the report is correct that prisoners from the same penitentiary are being or will be transferred to the medium security prison in Mission, British Columbia?

Hon. Francis Fox (Solicitor General): The answer to the hon. member's question is, yes. There are a number of people in the British Columbia penitentiary who have already been classified as medium security risks but because of insufficient installations they had to be incarcerated in the B.C. penitentiary. However, as space becomes available at Mission, some of the inmates who have already been classified as medium security risks will be transferred to the Mission facilities.

Mr. Patterson: Mr. Speaker, since the prisons at Abbotsford and Mission were not built to house the type of inmates who were involved in the riot at the B.C. penitentiary, can the minister inform this House, and the residents of Fraser Valley, what steps are being taken to ensure that the same thing will not happen in these institutions as has happened in New Westminster and to ensure protection for the residents of those communities?

Mr. Fox: As I pointed out in my initial answer, only inmates who previous to the disturbances in B.C. penitentiary were classified as medium security risks are being transferred to Mission.

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REGIONAL ECONOMIC EXPANSION

THREAT OF SMI COMPANY IN NEW BRUNSWICK TO MOVE TO UNITED STATES—GOVERNMENT ACTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion, and I want to get it in before the minister resigns to run in the Quebec election.

Some hon. Members: Oh, oh!

Mr. Fairweather: It has been going on every day, and I wanted to catch up.

Some hon. Members: Oh, oh!

An hon. Member: What about the former member for Malpeque?

Mr. Fairweather: There is a difference between Mr. MacLean and Mr. Marchand—one is leaving a rising ship, the other is leaving a sinking ship.

Some hon. Members: Hear, hear!

Mr. Fairweather: Now, let us get back to regional economic expansion.

Some hon. Members: Oh, oh!

Mr. Fairweather: There is a legal strike against SMI Industries in New Brunswick which operates with federal DREE funds and the company has threatened to move to the United States, then sell its production back to Canada. I wonder if the minister will consult his colleague, the Minister of Labour, and point out to management that this is a grossly unfair labour practice and is unacceptable to the federal government which has participated in the operation of this company.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): First of all, Mr. Speaker, I should like to say to my friend, the hon. member for Fundy-Royal, that I have no intention whatsoever of leaving my position to run in the provincial election. I feel I still have a lot to do here in Ottawa in this department which is entrusted with responsibility to assist the economy of each province, particularly in my province of Quebec.

● (1150)

In the particular case that to which the hon. member referred, I can say that our department is following all those situations very closely. When a corporation that we assisted under a DREE plan gives an indication of its intention to move

away from the region under the conditions that the hon. member pointed out, then I think in the past we have been active in making sure, if it was still under control to some extent as a result of our grant offer, that this corporation is made well aware of our intention to step in.

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FISHERIES

DESTRUCTION OF REDFISH BY SPANISH AND PORTUGUESE FISHERMEN—GOVERNMENT ACTION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I would direct my question to the Minister of Fisheries and the Environment. At the present time Canadian ships are not permitted to carry out fishing operations on codfish or redfish on Flemish Cap, an area some 800 miles from Halifax, while Portuguese and Spanish trawlers are still fishing there for codfish and throwing hundreds of thousands of pounds of redfish back into the sea. Can the minister explain this anomaly and inform the House whether any steps are being taken by the Portuguese, Spanish or Canadians to halt this dangerous destruction of fish or to harvest this incidental catch which is not being utilized at present by the Spanish or Portuguese?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, the reason some Canadian or foreign vessels are fishing or not in one or other place is that we may have fished out the quota we had under the ICNAF agreement. In the case of the Portuguese and Spanish vessels, some of their quotas under the international agreement have not been reached and this has to be kept in mind. The question of discards is serious, however—maybe not as serious as the hon. member indicates—and we have told both the Spanish and Portuguese governments that under the new jurisdiction, as of January 1, this will not be tolerated.

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EXTERNAL AFFAIRS

DISCUSSIONS WITH SPANISH AND PORTUGUESE GOVERNMENTS ON DESTRUCTION OF REDFISH

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, a supplementary question for the Secretary of State for External Affairs. The wastage is something like 75,000 pounds of redfish per five-hour troll by actual count from a Lunenburg captain. Since Flemish Cap is something like 800 miles from Halifax, and in an area which will be beyond our jurisdiction when the government declares the 200 mile territorial limit, would the minister undertake to bring this matter to the attention of the Spanish and Portuguese governments in the interests of conserving our valuable fisheries resources for the future use of all mankind?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the action the hon. member suggests has already been taken. My colleague, the Minister of Fisheries and the Environment has indicated that subsequent to the declaration of the 200 miles where we have control, it will also be in a sense an illegal act.

An hon. Member: How are you going to enforce it?

* * *

[*Translation*]

IMMIGRATION

INQUIRY IF VALDES FAMILY WILL RECEIVE LANDED IMMIGRANT STATUS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Considering the assumption that the order of prohibition is withdrawn and that Mrs. Valdes submits to the deportation order by going to London, and considering that Mr. Valdes is sure to have regular employment, can the minister assure the House that Canada will welcome without delay the Valdes family to avoid undue school delay for the children.

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I am not certain that I got the full thrust of the translation of the hon. member's question. In looking through the various avenues that have been open to this particular family and the abandonment of the family by the father on occasion, we have endeavoured to be as compassionate as possible in this particular case. I understood that an application for an order of prohibition was before the courts and I have not been advised whether that has been withdrawn or dismissed but I shall look into it.

* * *

SEARCH AND RESCUE

REQUEST FOR DEPLOYMENT OF HELICOPTERS IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Acting Minister of National Defence. Yesterday on television Admiral Boyle said, and I paraphrase him: "I am a taxpayer of Canada and I think there is a limit on how much you can spend on search and rescue." The same sentiment was expressed by the minister's predecessor when he said that deployment of existing search and rescue capability would not be cost effective. I ask the minister, whom I know has a big heart, if this is government policy; if not, will the minister, as an interim measure until the government can get its new search and rescue policy announced, order the deployment of at least one of the armed forces helicopters to eastern Newfoundland?

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, first of all I should like to correct an answer I gave yesterday in the House with reference to the Labrador helicopter arriving on the scene of the tragedy some

two hours after notice was received by the Rescue Co-ordination Centre; it was actually four hours, forty-one minutes later, at 1345 hours. There was a total of three fixed wing aircraft and two helicopters deployed on the mission. I wanted to correct that information which was not complete when given to me yesterday .

With reference to the other question the hon. member raises, I have not seen Admiral Boyle's statement. Certainly this government, as my colleague the Minister of Transport said, has been examining the situation very thoroughly. One must realize that you cannot have an aircraft or ship in every place at every time. I would think in that context we have to find the most cost efficient way and the most humane way to handle these situations. We are examining all options and they are under active consideration by the government as my colleague has indicated.

Mr. McGrath: Mr. Speaker, a supplementary question to the Acting Minister. If these armed forces specially equipped helicopters can be used to ferry the Prime Minister around the maritimes on political tours, surely it is not too much to ask the minister if he will order the deployment now of one of those helicopters to provide some umbrella of protection to fishermen in eastern Newfoundland. That is all I ask.

Mr. Danson: Mr. Speaker, these options are already under examination and the government will be making a statement very shortly.

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ANTI-INFLATION BOARD

EFFECT ON ECONOMY OF YUKON OF STRIKE AGAINST BOARD RULING BY MINERS AT FARO—GOVERNMENT ACTION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I address the Minister of Finance because he is responsible for the Anti-Inflation Board, the Minister of National Revenue through whom the administrator of the AIB reports to parliament and the Minister of Indian Affairs and Northern Development from whom I shall solicit an answer, he being responsible for the economic well-being of the people of the Yukon. These ministers are aware I am sure of the strike which has been in existence by the steel workers at Cyprus-Anvil Mining Corporation at Faro since June 30. The strike is against the AIB which rolled back a negotiated agreement to 12 per cent, then increased it to 14 per cent but it was rolled back again to 8 per cent by the administrator. Can the minister tell the people of the Yukon what steps the government is going to take to break this stalemate which is negating all three objectives of the AIB and is causing gross unemployment and total lack of production as well as an increase in the inflationary rate in the Yukon as a whole?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think I should point out that parliament has passed a law which is as applicable to this work force as to other work forces across the country; that the work force can of course choose to strike against that particular law of parliament. In carrying out the prices and incomes program, I do not think the government should be compelled to abandon that law because of the viewpoint of a particular local. Under those circumstances I do not think there is anything the government can do. It seems the far more sensible thing for that work force to do would be to go back on the job.

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NORTHERN CANADA POWER COMMISSION ACT

REQUEST FOR AMENDMENT TO RELIEVE CONSUMER OF BURDEN OF INCREASED RATES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister of Indian Affairs and Northern Development. Will he assure the people of the Yukon that he will bring before parliament the Northern Canada Power Commission Act for an amendment to section 10 so that the consumers of the Yukon will not have to bear the increased cost of power which is going to be made essential as a result of the lack of revenue to that corporation because of the strike which has been under way for almost three months now, due to AIB action?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, my predecessor set up a task force to examine ways in which power rates could be relieved in the Yukon and Northwest Territories. I understand that task force will report to me in a week or two.

• (1200)

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY TO DEBATE WAYS AND MEANS MOTION

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise on a point of order. I should like to ask you, in accordance with Standing Order 60, to designate an order of the day for tomorrow in order to consider the notice of ways and means tabled by the Minister of Finance last week.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacEachen: With your indulgence, Mr. Speaker, may I say a word about the business of the House. I must absent myself from the House soon and may not be present to respond to the question put by my hon. friend. Tomorrow it is my intention to interrupt the debate on the address in reply, to

deal with a bill which is to be introduced by the Minister of Labour (Mr. Munro) concerning the port of Halifax. Assuming we get consent, we would proceed with that bill tomorrow. On Monday we would conclude the debate on the address in reply. On Tuesday, I hope to call the bill dealing with the James Bay Agreement and, following that, the customs tariff. May I add that if we conclude the proposed labour bill tomorrow before the end of the normal business day, I would consider, with all hon. members opposite, calling bills falling into the category described yesterday by the leader of the New Democratic Party as housekeeping bills. We might do some useful housekeeping late tomorrow afternoon.

Mr. Baker (Grenville-Carleton): Mr. Speaker, we are prepared to co-operate with the government with respect to the bill which he indicated the government intends to call tomorrow. I imagine there has been, or will be, some discussion with respect to it. May I assume from what the minister said that he has now departed from that wasteland of legislation which he mentioned yesterday, the Historic Sites and Monuments Act, the bill respecting diplomatic and consular privileges, etc., and that he is really serious with respect to government business in the first part of the session.

Mr. MacEachen: Yes, indeed, Mr. Speaker. I draw to the hon. member's attention a variety of additional bills on the order paper dealing with fishing and recreational harbours in Canada, the Pension Act—

Mr. Clark: The National Anthem.

Mr. MacEachen: —and the making of advance payments for crops. The hon. member should cast his eye beyond the National Anthem.

Mr. Baker (Grenville-Carleton): He is casting his eye to the government side. He wants to be over there.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in connection with substantial legislation which the government will place before the House, may I ask the minister the question which was addressed yesterday to the Minister of National Health and Welfare (Mr. Lalonde) but not worded in such a way as to elicit the answer we seek. Can the minister say if the bill to amend the Old Age Security Act, as forecast by his colleague last April, will be before the House some time soon, say this year?

Mr. MacEachen: Mr. Speaker, that is the intention: some time this year.

Mr. Knowles (Winnipeg North Centre): Is that in this calendar year, 1976?

Mr. Baker (Grenville-Carleton): Or in this fiscal year?

Mr. MacEachen: I was thinking of the 12-month period from this moment.

Mr. Marshall: Mr. Speaker, can the government House leader say if he intends, on behalf of widows and war veterans, to introduce legislation with respect to the Pension Act and war disability pensions? Will amendments be introduced?

Mr. MacEachen: Mr. Speaker, there is a bill on the notice paper dealing with the Pension Act. I hope it can be dealt with quickly.

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EXTERNAL AFFAIRS

STATEMENT OF POLICY ON INTERNATIONAL BOYCOTTS

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, before beginning my statement may I, at the outset, apologize to the various spokesmen opposite for the comparatively short time they have had my statement. I was under the impression earlier this morning that it had been distributed. It appears there was some mix-up. I take full responsibility and hope hon. members will understand. I apologize.

Mr. Fairweather: Make sure this is the last time this happens.

Mr. Jamieson: The hon. member opposite says, make sure this is the last time this happens. I think he should note, in all fairness, that this is the first time this has happened.

Mr. Fairweather: That is why I think it will not happen again. That was exactly the tribute I was paying.

Mr. Jamieson: Thank you; Mr. Speaker, the government has clarified its position in relation to international boycotts and has strongly affirmed its opposition to discrimination and boycotts based on race, national or ethnic origin or religion. Accordingly, the government will take measures to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which such boycotts may have on Canadian firms and individuals. These measures will not, of course, apply to any boycott accepted by Canada but will clearly apply to such discriminatory aspects as there may be to any other international boycott.

The type of transactions against which the government will take action are those which would, in connection with the provisions of any boycott, require a Canadian firm to: engage in discrimination based on the race, national or ethnic origin or religion of any Canadian or other individual; refuse to purchase from or sell to any other Canadian firm; refuse to sell Canadian goods to any country; or refrain from purchases from any country.

While Canada seeks friendly relations with Arab states and with Israel, Canada also reserves the right to respond to commercial policies of other nations according to its own practices and values. Consequently, the Canadian government will deny its support or facilities, including the support of its trade missions abroad, in the case of any transaction involving boycott undertakings of the type described above.

Given that in many parts of the world, including the Middle East, denial of Canadian government support for a particular transaction imposes very serious handicaps, such as those relating to contact with foreign officials, market information and Canadian government financing, it is considered that denial of such support will be an effective deterrent to co-operation with discriminatory provisions of an international boycott.

Canadian firms may decide nonetheless to agree to certain boycott clauses and forgo Canadian government support for the projects concerned. All Canadian firms, however, whether they accept boycott clauses or not, will be required to report all instances of their complying with boycott provisions. Information obtained from such reports will be made available to the public.

The government recognizes that Arab countries consider their boycott of Israel to be a legitimate economic weapon in view of the continuing state of war between Arab countries and Israel. Canada, however, seeks to improve its relations and to develop its trade in peaceful goods with all nations. Any discrimination against Canadian firms or individuals is contrary to Canadian concepts of fairness and the government is determined to ensure that any such discriminatory aspects are not in any way supported by government programs.

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, the statement by the government with respect to the Arab boycott is overdue. Opposition to any boycott which is pursued on grounds of racism or prejudice should be a principle of foreign policy. It should not be a last minute position drafted in a context of ambivalence. And, ambivalence there is in this statement. The first paragraph of the statement contains the following statement:

These measures will not, of course, apply to any boycott accepted by Canada . . .

I am sure the minister will want to clarify that sentence, by saying if Canada is about to indulge in a boycott against certain nations and, if it is, which nations they are. There is clear ambivalence at the end of the statement, which reads:

. . . the government is determined to ensure that any such discriminatory aspects are not in any way supported by government programs.

● (1210)

I just wonder whether this does not add a new perception to the programs and activities of CIDA. I am sure the minister will want to clarify this point a little later and explain if CIDA and our trade missions are going to be involved in such a boycott or if this is a veiled threat.

The new Secretary of State for External Affairs (Mr. Jamieson) should not be held responsible for the procrastination of this government in coming forth with a statement about the Arab boycott. In fact, no other minister has been as open, forthright and co-operative with the opposition. This augurs well for the future. I recognize that and I commend him for his attitude.

However, I say to him through you, Mr. Speaker, foreign policy is more than the drafting of pragmatic statements by pragmatic people. It must be the elaboration of principle on behalf of the nation. The people of Canada care more about bread and butter issues, inflation and unemployment, than they do about foreign policy. Nevertheless, foreign policy affects the way in which a nation weighs itself and what a nation stands for.

[*Translation*]

I understand the necessity for the federal government to protect the commercial interests of Canada and to maintain friendly and business relations with Arab countries now that they are playing a new and decisive role within the world economic community. I do understand also the need for the government to seek information and to evaluate the political and economic consequences of a decision whose importance shall not be minimized. But mercantilism should not be the only rule of a country which is concerned with morality. Now the Arab boycott is one of those cases where Canada cannot but stand firm as far as principles are concerned. It is in the international community's interest that our action discourage measures which might unduly and unjustly affect the interests of Canada, of Israel and of Arab countries themselves.

[*English*]

The statement of the Prime Minister (Mr. Trudeau) of May 8, 1975, to the effect that this type of practice is alien to everything the government stands for and, indeed, to what in general Canadian ethics stand for did not prevent, for example, the Canadian Export Development Corporation, a Crown agency, from allegedly conniving in the boycott when being called upon to account for its actions and without being ordered to stop circumventing the government's stated policy.

Instances have been cited where this Crown corporation is alleged to have insured loans to Canadian companies dealing with Arab countries and complying, willingly or not, with the boycott against Israel. I ask the question, and I am sure the minister will answer it later, have those incidents been investigated? In any event, to date no denial has been given.

Unrestrained opposition to an Arab boycott is the only position a government of this country could take. Anything else I consider to be a major sellout in principle and in fact. The people have the right to nothing less. The issue of principle in foreign policy requires commitment, international consistency and skill. As Canada moves closer to membership in the Security Council, the minister and the government must assure themselves that their international consistency, both as a cabinet and within the External Affairs Department, is sufficient to protect principle. The delay that accompanied today's statement must leave many Canadians cause for concern.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I join with the spokesman for the official opposition in saying to the minister that it is regrettable it has taken so long for the government to make any kind of statement on a very basic principle, the question of boycotting of Canadian companies by Arab countries or any other country on the basis of race,

religion or colour. There is a strong feeling among many people in this country that part of the reason for the delay has been the fact that senior officials in the department are hostile toward the state of Israel. I refer the minister to press reports which have detailed the situation.

The minister said "the government will take measures to deny its support or facilities for various kinds of trade transactions in order to combat any discriminatory effects which such boycotts may have on Canadian firms and individuals." All the minister is saying is that the government will apply to Canadian companies doing business outside Canada what is now the law in Canada. We have federal and provincial fair employment practices legislation which prohibits discrimination against Canadian citizens on the basis of race, colour or religion. The government is now prepared to apply the same principles to Canadian companies doing business outside Canada.

The minister went on to say he would do this by refusing the assistance of the government to companies with regard to "contact with foreign officials, market information and Canadian government financing". He states that "denial of such support will be an effective deterrent to cooperation with discriminatory provisions of an international boycott".

The bulk, if not all the business done by the Canadian corporations with Arab countries is done through multinational corporations whose head offices are in the United States, Great Britain, Holland or South Africa. They do not need Canadian government assistance to make contacts, obtain market information or financing, although on occasion they have added icing to the cake by using Canadian financing. Therefore, we do not believe that this kind of action by the Canadian government will have a serious effect on cutting back, let alone preventing Canadian companies from dealing with Arab countries.

The minister said, in the last paragraph of his statement, that "any discrimination against Canadian firms or individuals is contrary to Canadian concepts of fairness". However, he avoided saying that the Canadian government will take legislative action to prohibit that kind of transaction. There will be no legal sanctions against doing business with Arab countries and Arab governments. As far as we can tell, the corporations will simply ignore the feelings expressed by the Secretary of State for External Affairs (Mr. Jamieson).

We do not understand why the government of Canada does not enact legislation similar to that now before the United States Congress, and I believe it would be supported by all opposition parties, prohibiting Canadian companies from doing business which requires a boycott by Canadian companies of countries recognized by the United Nations and Canada or of discrimination against Canadian citizens on the basis of race, colour or religion. I urge the minister to give very favourable consideration to bringing in such legislation.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first I commend the minister for apologizing because his statement was late. I would, however, address one critic to him. We hope this will not happen again and that if the minister has some difficulty asserting himself within his department, which I do not believe, he will also try in the future to send us his statements in French. If we are to have bilingualism in Canada, I think we should try at least to begin in the House of Commons.

Mr. Speaker, what strikes me first is the lead paragraph of that statement which reads as follows:

● (1220)

[*English*]

The government has clarified its position in relation to international boycotts and has strongly confirmed its opposition to discrimination and boycotts based on race, national or ethnic origin or religion.

[*Translation*]

Unfortunately I realize that the government has followed inconsistent policies in external affairs. Today it has stated that it is against a boycott of countries on racial grounds, but in various circumstances in the House and through its former Secretary of State for External Affairs (Mr. MacEachen) at the United Nations, it has supported resolutions for an international boycott on racial issues.

I am referring to South Africa and Rhodesia. Canada has supported the boycott.

Mr. Speaker, the members of the Social Credit Party of Canada do not believe in economic blackmail such as a boycott to which countries can resort one against the other because no country in this world up to now has succeeded in having an efficient boycott. We remember quite well that some countries advocated an economic boycott against Germany, but to no avail. An economic boycott was declared against Cuba but to no avail. The same was once done against South Africa, again to no avail. In Rhodesia, which was supposed to be boycotted by the United States and Canada and where American companies could not do business, I personally saw some heavy equipment worth millions of dollars from well known American agricultural companies which were doing business while the United States were officially boycotting that country.

Mr. Speaker, economic boycott is nothing but a sort of blackmail, and when a country includes this in its foreign policy, we eventually discover that this same country carries out its trading through the back door of its warehouse, through the back door of the country or through another country.

All of this, Mr. Speaker, to say that we fully support the statement the minister made this morning to the effect that Canada will not participate in this type of international economic blackmail and will not support any boycott against Israel or any Arab country. We therefore support this statement and ask the minister to be consistent from now on when he talks about economic boycott on racial matters.

Mr. Claude Wagner (Saint-Hyacinthe): Before directing my question to the minister, Mr. Speaker, I want to state in all fairness, following the statement made by the hon. member for Shefford (Mr. Rondeau), that we have indeed received the

[Mr. Orlikow.]

French text, in excellent French as a matter of fact. We have received this text, I have it before me and it ought to be on the desk of the hon. member for Shefford by now. I should not like to cause prejudice to the minister by saying that he does not favour bilingualism, because if there is someone in the House who favours bilingualism, it is indeed the minister responsible for external affairs.

[*English*]

The questions I should like to put to the minister arise from the opening remarks I made. First, I am disturbed by the sentence to which I drew attention, indicating that the minister is contemplating boycotts. He said these measures would not apply to any boycott accepted by Canada. I should like to know what criteria would guide the government when the moment comes to decide whether a boycott should be exercised against one nation or another.

Mr. Jamieson: Perhaps I can assuage the hon. member's concern by putting that, in a sense, in the past tense. The object of that line was to make it clear that we were not now rejecting the boycott of Rhodesia which was approved by the United Nations and to which Canada subscribed. I suppose there could be similar circumstances in the future—I am not anticipating any at the present time—and this is specifically designed to cover a situation where the United Nations, through the Security Council, did impose a boycott to which the members, including Canada, subscribed. The words to which the hon. member referred are meant to deal expressly with such a situation.

Mr. Wagner: Is it the intention of the government to deprive a country of aid which it has been receiving from CIDA, should that country become part of the boycott?

Mr. Jamieson: I cannot conceive of a situation where aid through CIDA would be involved. There might be one where a Canadian company was supplying goods or services in some form or other. But the mere fact that CIDA funds are involved would clearly prohibit such a company from subscribing to the boycott. It is certainly not the intention that foreign aid would be affected in any way. This is expressly designed to cover commercial transactions of the kind carried out in normal international trade.

Mr. Roche: Mr. Speaker, I have two questions for the minister. He has just told us that CIDA is not involved. With regard to that final sentence of his this morning when he referred to the withdrawal of Canadian government programs from countries supporting the Arab boycott, may I ask what government programs he is contemplating? I suggest that in offering a veiled threat he is doing nothing to calm the already troubled waters?

Mr. Jamieson: I do not see, looking at the document, that there is any reference to withdrawing support from countries. It uses the words "any discrimination against firms and individuals". Possibly the hon. member could read that into it but, once again, I say there is no intention and no thought of involving any CIDA operation. The type of program to which the statement makes reference covers government financing of various kinds which, contrary to the view expressed earlier by one member opposite, form a substantial part of doing business in many areas of the world, including the Middle East. It means the kind of assistance which our people in the field provide abroad; in short, anything of a commercial supportive nature would not be available in the circumstances I have outlined.

Mr. Roche: I should like to ask the minister whether he would address himself to the underlying reasons which caused the boycott in the first place. I refer to the spread of racism which is severely affecting the United Nations today and which has put the United Nations in crisis. May I ask what the Canadian government is doing, not only by way of imposing a boycott but constructively and positively, to use its good offices to help the United Nations stop the spread of racism which is so seriously impairing international relations?

Mr. Jamieson: I can only reply in a general way to that question today, but I would be glad to let the hon. member have specific instances of occasions in which we have spoken out against racism in all its forms. Certainly, at the United Nations this year, if the hon. member would do me the honour of reading my speech, he will see I made some strong comments in that direction. We have participated in a number of discussions in the UN and elsewhere making known our views against racism. We have made our position abundantly clear. We have, of course, simultaneously rejected out of hand any effort to link racism with Zionism.

• (1230)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that once a boycott has been set in place by a group of nations it is not likely that they will withdraw from that position, and that only sufficient warning as to what the position of the Canadian government will be could have any real deterrent effect—and with all courtesy to the minister I doubt that this somewhat milk and water statement by the government today will be a very effective deterrent—I want to ask the minister two questions. I will ask both questions now to save the time of the House.

First, is the government prepared to make it clear to companies operating in Canada and to Canadian companies that, in the event of a boycott, the Canadian government will introduce legislation making it illegal to join in a boycott that is based on race, colour or religion?

Second, is the Canadian government prepared to make it clear to any nation, particularly to the Arab nations at this time, that Canada will not allow this repeated type of international blackmail to go on and will take retaliatory measures, measures that will be fairly draconian? It seems to me that unless the government is prepared to take action along those two lines we are liable to find ourselves in a very unfortunate situation and it will be too late then to issue any warnings. I think the Arab nations ought to know in advance, and that companies in Canada ought to know in advance, that if they

co-operate in such a boycott the government proposes to move and to move very firmly. I would ask those two questions of the minister.

Mr. Jamieson: Mr. Speaker, I think I have no problem replying in the affirmative on the principles about which the hon. member has queried me. I think there is within the statement—I regret that he does not feel it is as strong as he would have liked to see—a clear message which I think will be carried to companies in Canada that we do intend to take the kinds of actions to which the hon. member has referred. In other words, we will act.

On the other issue of retaliation—I believe that was his word—regarding foreign countries, this is a somewhat more complex question. Without going into it in detail, may I say I would assume that our leverage or our capacity to retaliate may vary substantially from one country to another. It also seems to me that there is something in the questions put by the hon. member for Saint-Hyacinthe (Mr. Wagner) in particular, and also by the hon. member for Edmonton-Strathcona (Mr. Roche). For example, on the question of foreign aid, this is presumably one form of retaliation that might be possible. But would it be appropriate to cause the ordinary people in certain countries that are participating in boycotts undue suffering as a result of the action of their government? I am not at all certain that I can be as firm on the second point about our reaction to the actions of foreign governments as I can in terms of Canadian companies.

In the case of Canadian companies, the situation is clear. If a company expects to get any form of assistance from the Canadian government—and I repeat that the record shows that assistance is most valuable and in many cases essential—then they must be prepared to forgo, denounce or not take part in any kind of boycott conditions contained in a contract.

Mr. Speaker: Order. Two members on both sides of the House have been seeking the floor for some time, the hon. members for Winnipeg North (Mr. Orlikow) and Shefford (Mr. Rondeau) on my left, and the hon. members for Lafontaine-Rosemont (Mr. Lachance) and Windsor West (Mr. Gray) on my right. I think that will fairly cover all parties and conclude the questioning.

Mr. Orlikow: Mr. Speaker, I should like to ask two questions. First of all, by what legislative authority does the minister propose to require all Canadian firms to report transactions that violate the intent of the statement the minister made? If the minister has not such legislative authority, is he proposing to bring in legislation requiring the reporting of such transactions?

Second, I ask the minister whether the government has considered legislation of the kind the United States Congress is now considering prohibiting such transactions and if they did consider it and decided against it, what were the reasons?

Mr. Jamieson: Mr. Speaker, on the first part of the question, I am advised by officials that the necessary authority does exist to require the reporting procedure. I would ask the hon. member to give me a day or two to get that information in terms of specific action. I am not quite sure to which legislative authority the referrence is.

On the question whether we considered legislation, this is an alternative at which we have been looking. Both I and the government concluded that at this time legislation was not necessary, and also that it would present enormous complexities and problems. Therefore the use of this technique that I have announced this morning is the most effective means through which to proceed. I should say, as the hon. member undoubtedly knows, that the bill in the United States came in for a considerable amount of criticism and opposition. I do not want to anticipate the U.S. legislative process, but I understand from what are usually referred to as reliable sources that it will also undergo considerably more debate when it is reintroduced, presumably in the new session in 1977.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to take this opportunity to thank the hon. member for Saint-Hyacinthe (Mr. Wagner) who wanted to correct something which I think was perhaps a mistake. I left my office at 11:45 and still did not have a French copy. However, I think the hon. member for Saint-Hyacinthe is right. I would like to say to the minister that we, on this side, are assured of his full cooperation on the matter of bilingualism, and we hope that in the future, the French copy will get to us in time.

[*English*]

Mr. Gray: Mr. Speaker, the statement of the Secretary of State for External Affairs (Mr. Jamieson) is welcome so far as it goes. I have a question for him which I have divided into three parts to save time. First of all, if a company can do without the services of the government, that the minister has mentioned, I take it that the government is proposing to parliament no other sanctions if that firm continues to comply with the Arab boycott? Second, if Canadian banks are demanding proof of compliance with the boycott from Canadian firms selling goods to Arab firms before making payment to them under letters of credit, I gather the government is not intending to take steps to prevent the banks from engaging in this procedure, even though they are federal institutions? Third, when will the banks have to begin reporting to the government compliance with the boycott, and in fact how soon will the withdrawal of trade services outlined by the minister begin in order to put into effect the measures contained in the statement, which as I have said is welcome so far as it goes?

Mr. Jamieson: Mr. Speaker, let me answer the third question first. I think this is purely a mechanical problem which I could answer immediately by saying that it may take some short period of time in order to convey the gist and effect of the statement to the various agencies and parties concerned. On the question of banking, the banks are, of course, included in so far as direct transactions go. I would have to look into the implications. I believe the hon. member asked about the situation where the banks themselves ask a client whether he

has conformed to the boycott. Is that what he asked, just for clarification?

Mr. Gray: Whether they are asking for proof of compliance before making payment on letters of credit to firms doing business in Arab countries.

Mr. Jamieson: I would have to look at that in detail to find out exactly what was what. The hon. member said he wanted to save the time of the House by asking three questions. Would he just tell me again what was the first question?

● (1240)

Mr. Gray: With the permission of Mr. Speaker, I asked whether the minister could confirm the impression I gained from his statement that there are no sanctions the government is proposing to parliament if firms continue to engage in condoning and conforming to the boycott beyond the withdrawal of trade support services and financing, which in many cases these firms do not need in the first place?

Mr. Jamieson: Yes, Mr. Speaker, the assumption is essentially correct. If a Canadian company chooses to make arrangements entirely on its own and it is a private transaction, then no sanctions, as he called them, would be imposed. I should point out, however, that such firms, whether they seek government assistance or not, will still be required to report the fact that they have, indeed, complied with the boycott, and that information will be published.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, in light of the minister's statement on the position the Canadian government intends to take with respect to the embargo called against Israel by the international Arab community and, in a similar context, of Canada's negative vote in committee alone with Israel against the United Nation's resolution on the decade for action against racism, to be consistent does the minister intend to reconsider the implications of that resolution which, incidentally and unlike previous ones, does not make reference to Zionism, and eventually change Canada's vote in the General Assembly when that issue will be discussed, particularly if one considers the desire expressed in the Speech from the Throne to engage Canada further into cooperation and international representation, among other things, in the quest for a new international economic order?

[*English*]

Mr. Jamieson: Mr. Speaker, I presume that the hon. member is referring to the vote in a UN committee a couple of weeks ago. The reason Canada voted against that resolution was that there was an implicit continuing relationship in that resolution of a linkage between racism and Zionism. I have said that we will not support such resolutions or participate in any activities that even remotely tend to support that proposition. As for a change in our position, I cannot tell the hon. member at the moment because I have not addressed myself specifically to it, or to what we will do in the general assembly. However, if the circumstances are not different, and if there is not a good logical reason for us to give support, then I do not see us changing our position. I should emphasize at the same time, however, that this whole position Canada is taking, and to which I am very firmly committed, is designed to help us get human rights activities and anti-racist activities moving at a very high level in the United Nations. We feel that cannot be achieved successfully, if it can be achieved at all, as long as there is that which we reject, namely, a linkage of racism with Zionism.

* * *

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO FACILITATE MAKING ADVANCE PAYMENTS FOR CROPS

Hon. J.-J. Blais (for the Minister of Agriculture) moved for leave to introduce Bill C-2, to facilitate the making of advance payments for crops.

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

* * *

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO MAKE AMENDMENTS TO CERTAIN PROVISIONS OF THE ACT

Hon. J.-J. Blais (for the Minister of Finance) moved for leave to introduce Bill C-3, to amend the Canada Deposit Insurance Corporation Act.

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

* * *

CANADA LANDS SURVEYS ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT

Hon. Francis Fox (for the Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-4, to amend the Canada Lands Surveys Act.

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

* * *

CURRENCY AND EXCHANGE ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT AND OTHER ACTS IN CONSEQUENCE THEREOF

Hon. John Roberts (for the Minister of Finance) moved for leave to introduce Bill C-5, to amend the Currency and Exchange Act and to amend other Acts in consequences thereof.

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

* * *

DIPLOMATIC AND CONSULAR PRIVILEGES AND IMMUNITIES ACT

MEASURE TO ESTABLISH IMMUNITIES AND PRIVILEGES

Hon. John Roberts (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-6, respecting Diplomatic and Consular Privileges and Immunities in Canada.

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

* * *

FISHING AND RECREATIONAL HARBOURS ACT

MEASURE TO PROVIDE FOR ADMINISTRATION AND DEVELOPMENT OF CERTAIN HARBOURS

Hon. Francis Fox (for the Minister of State (Fisheries) and the Environment) moved for leave to introduce Bill C-7, respecting the administration and development of certain fishing and recreational harbours in Canada.

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

* * *

JAMES BAY AND NORTHERN QUEBEC NATIVE CLAIMS SETTLEMENT ACT

MEASURE TO GIVE EFFECT TO AGREEMENTS WITH NATIVES OF NORTHERN QUEBEC

Hon. Francis Fox (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-9, to approve, give effect to and declare valid certain agreements between the Grand Council of the Crees (of Quebec), the Northern Quebec Inuit Association, the Government of Quebec, la Société d'énergie de la Baie James, la Société de développement de la Baie James, la Commission hydro-électrique de Québec and the Government of Canada and certain other related agreements to which the Government of Canada is a party.

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

[Mr. Roberts.]

FINANCIAL ADMINISTRATION ACT AND SATISFIED SECURITIES ACT

MEASURE TO REPEAL SECURITIES ACT AND AMEND ADMINISTRATION ACT

Hon. Francis Fox (for the Minister of Finance) moved for leave to introduce Bill C-8, to amend the Financial Administration Act and to repeal the Satisfied Securities Act.

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

* * *

NATIONAL ANTHEM ACT

MEASURE TO DESIGNATE NATIONAL ANTHEM

Hon. John Roberts (Secretary of State) moved for leave to introduce Bill C-10, respecting the national anthem of Canada.

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

* * *

PENSION ACT

MEASURE TO ESTABLISH REVIEW BOARD

Hon. John Roberts (for the Minister of Veterans Affairs) moved for leave to introduce Bill C-11, to amend the Pension Act.

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

* * *

• (1250)

INCOME TAX

MEASURE TO IMPLEMENT AGREEMENTS BETWEEN CANADA AND CERTAIN COUNTRIES TO AVOID DOUBLE TAXATION

Hon. J.-J. Blais (for the Minister of Finance) moved for leave to introduce Bill C-12, to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Repulic and Canada and Switzerland for the avoidance of double taxation with respect to income tax.

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

HISTORIC SITES AND MONUMENTS ACT

AMENDMENT TO INCREASE NUMBER OF MEMBERS OF BOARD

Hon. Francis Fox (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-13, to amend the Historic Sites and Monuments Act.

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

Mr. Baker (Grenville-Carleton): On a point of order, Mr. Speaker, may I say that I am sure you are tired and embarrassed, as we are embarrassed, with the necessity of having to read the results of the wasteland across the way in terms of legislation. I think it would be in order, before you call orders of the day, so that you may have a rest and in order to give the government an opportunity to perhaps re-think the situation, to call it one o'clock.

Mr. Speaker: Order, please. An hon. member is present who seeks to present a petition during routine proceedings. Perhaps before considering the suggestion of the hon. member for Grenville-Carleton we might include that.

* * *

ANTI-INFLATION PROGRAM

PETITION FROM SUDBURY TEACHERS REQUESTING WITHDRAWAL OF PROGRAM

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have the honour to present a petition on behalf of the 164 members of the Sudbury division of the Ontario Secondary School Teachers Confederation which request the Parliament of Canada to withdraw the Anti-Inflation legislation which has resulted in inequities affecting a large number of the people of Canada.

* * *

JUSTICE AND LEGAL AFFAIRS

TERMS OF REFERENCE OF INQUIRY INTO OPERATION OF PENITENTIARIES

Hon. Francis Fox (Solicitor General): Mr. Speaker, I should like to move, seconded by the Secretary of State (Mr. Roberts):

That the Standing Committee on Justice and Legal Affairs inquire into the system of maximum security institutions maintained by the Canadian Penitentiary Service and such other institutions as the Committee deems advisable, including:

(a) the adequacy of security procedures and arrangements, custodial facilities and correctional programs pertaining to such institutions,

(b) the special problems faced by staff and management in the administration of such institutions,

(c) the need for, the role and composition of Citizens Advisory Committees attached to such institutions,

(d) the need for, the role and composition of Inmates Committees in such institutions,

and any other matter that the Committee may consider relevant to the proper administration of such institutions, having regard to the recent disturbances that

have taken place in the British Columbia, Laval and Millhaven Penitentiaries; and to invite the views of interested parties and the public on these matters;

That the Committee have power to travel from place to place within Canada;

That the Committee have power to retain the services of advisers to assist in its work, and that it also have power to retain the professional, clerical and stenographic help it may require;

That the Committee submit their Report not later than February 28, 1977.

I should like to add that I have consulted the opposition parties in this regard and there is an understanding that the standing committee would consider, we hope favourably, the possibility of establishing a sub-committee to hold this inquiry.

Mr. Speaker: Order, please. I understand that the minister is presenting such a motion without notice and therefore it will require the consent of the House. Is there unanimous consent that the motion be presented in this way at this time.

Mr. Nielsen: Mr. Speaker, I have something to say on that point.

Mr. Speaker: Either there is unanimous consent or there is not.

Mr. Neilsen: I was on my feet, Mr. Speaker.

Mr. Speaker: I must determine whether there is unanimous consent. This is a debatable motion, of course. If there is unanimous consent I will put the motion, but if there is not unanimous consent then we cannot discuss it.

Mr. Nielsen: There is unanimous consent that the motion be presented.

Mr. Speaker: Is there unanimous consent that the minister present the motion at this time?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion presented by the minister.

Mr. Nielsen: Mr. Speaker, we are prepared to adopt the motion without debate on certain understandings we have reached with the Solicitor General, namely that the whole committee will not be dealing with these terms of reference but that a sub-committee will be set up by the standing committee which will consist of 11 members, including five Liberal members, four members from this party, one member from the New Democratic Party and one member from the Social Credit Party. We also have an understanding that the standing committee will meet forthwith early next week, hopefully in order to strike that sub-committee and that we would not be confined in our inquiries solely to the maximum security institutions. There is also an understanding that certain research assistants will be allowed to travel with the sub-committee in order to accomplish its work, and that if we find we cannot finish in a thorough and in-depth manner as is contemplated by this motion, the work of the sub-committee by February 28 there would be no difficulty in extending that deadline in order to allow a full, complete and thorough inquiry.

Mr. Fox: Mr. Speaker, the understanding I have with the opposition is that this matter would be referred, hopefully, to a sub-committee by the committee. I cannot give directions of that nature to the committee. My understanding also is that the composition of the sub-committee would reflect the normal composition of committees of the House.

Mr. Nielsen: As a matter of clarification, Mr. Speaker, in my discussions with the Solicitor General we talked about numbers. We discussed the composition of the sub-committee, which we hoped would be set up by the standing committee, and it was suggested it would consist of 11 members, five from the Liberal Party, four from this party and one each from the NDP and Social Credit Parties. That was my understanding of our discussion.

Mr. Fox: Then, there has been a misunderstanding because my understanding was that the sub-committee would reflect the normal composition of the membership of the House.

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

Some hon. Members: Agreed.

Motion agreed to.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Wednesday, October 20, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Speaker: It being one o'clock this House stands adjourned until 2 p.m. this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Turner): Order, please. I believe the hon. member for Dauphin (Mr. Ritchie) spoke on the subamendment on which we voted last night, so the debate is concluded on that subamendment. The hon. member will be allowed 30 minutes on the main motion, and I will recognize him after the Secretary of State (Mr. Roberts) has spoken.

Hon. John Roberts (Secretary of State): Mr. Speaker, this is the first time I have had cause to address the House as Secretary of State, and I would not like this moment to pass without indicating my great appreciation for the letters of congratulation which I have received from many hon. members. I should like to refer in particular to the hon. member for York East (Mr. Collenette) who in his speech last Wednesday was very generous in his compliments to me and indicated the range and challenge of the position which I hold, which is indeed a difficult one. I would like to single out, also, the hon. member for Fundy-Royal (Mr. Fairweather) for his welcome, and in particular the right hon. member for Prince Albert (Mr. Diefenbaker) for his generous remarks. I have received a flood of letters of congratulations and best wishes from members from all parts of the House, and I would like to thank them for supporting me in my first few challenging days in office.

Since becoming Secretary of State I have travelled a great deal in Canada and many times I have come across that phrase of frustration, of anger, sometimes of bitterness which I am sure many members who visited their constituencies over the summer encountered. I refer to that terrible phrase, "We don't want you to ram French down our throats". I want to say that as Secretary of State I have no difficulty in associating myself with that sentiment. I have no trouble at all, so long as the people who say that are equally prepared to say " . . . and we do not want to ram English down the throats of French-speaking Canadians".

● (1410)

If one can make that kind of leap of the imagination and take oneself out of one's linguistic boots for a moment and put oneself in the place of those Canadians who speak the other official language, and say, "It is not my intention to impose on others limitations and restrictions on the use of their language, as I do not want them placed on me," then I think one can begin to grasp the essential thrust of the official languages policy of this government which has been supported on all sides of this House. The official languages policy does not impose obligations upon citizens; what it does is conserve, protect and guarantee language rights.

The official languages policy takes nothing away from English-speaking citizens and nothing from French-speaking citizens. What it confers upon French-speaking people are the same rights that English-speaking people accept for themselves as naturally as the air they breathe—it ensures the use of French for French speakers. In fact, the Official Languages Act is a bill of language rights, not of imposition; it is something that seeks to guarantee opportunities, not to restrict them.

The official languages policy has three basic principles. The first is that a Canadian citizen should have the right to receive services from the federal government in whichever of the official languages he uses. The act confers that right. The second is, it asserts that whether one is an English-speaking Canadian or a French-speaking Canadian, one should have the opportunity to travel this country from coast to coast and have access to one's own cultural community. That is why the government is establishing French-speaking radio and television stations from one end of the country to the other, and also English-speaking radio and television stations within the French-speaking parts of the country. The third principle is the hope that the provinces will provide opportunities and

facilities wherever practicable for education in the minority official language of those citizens who wish it.

Those are the three essential strands of the official languages policy, and not one of them limits any opportunity, ability or capacity presently held by Canadians. What they do is expand opportunities for Canadians to live a full life in whichever of the official languages is theirs. In other words, the official languages policy is about equality. That is a basic drive in our country.

Most people who came to Canada were seeking to escape the closed structures of Europe. They came because of opportunity and because they wanted to live in a society in which there was equality, not a society of rank and privilege. With the official languages policy we are trying to ensure linguistic equality. We are trying to ensure that French-speaking and English-speaking Canadians will have equality of use of language in the civil service, and that whether they be French-speaking or English-speaking, Canadians can look forward to a career in the civil service. We are trying to ensure equality of service to citizens who deal with the civil service and the public bodies of Canada, so that whichever is their official language they will be served effectively and quickly in that language.

We are trying to encourage the provinces to provide equality of opportunity for all groups in the educational system so that no one will be deprived or disadvantaged if they wish to maintain their official language and at the same time advance in the educational system. We are trying to ensure equality of access to cultural expression so that the cultures based on those official languages are generally available. The theme is that of language rights based on equality, not of imposition or control. It is an attempt to ensure that no Canadian, no matter which language he uses, will be forced to learn and use the other official language if he does not wish to do so. This is the principle which underlies the attempts we are making.

It is because I believe so strongly in this principle that I regret the position taken by the former minister of defence, the hon. member for Winnipeg South (Mr. Richardson). He contends that the time has not necessarily come when we should consider these principles of linguistic equality as part and parcel of the essential fabric of our country. He is concerned that if these principles in some way become entrenched in the constitution, Canadians may regret it and they may wish to have more flexibility in order to remove, alter or amend them. I would say to him, Mr. Speaker, that the time has not only come to make this commitment, but the time came in the 1960s. Through the will of parliament we made our fundamental commitment to equal language rights at that time.

It is not true, as the hon. member asserts, that the policy of bilingualism has created tensions over language in this country. That is, indeed, the reverse of the facts. The policy of bilingualism has been an attempt to deal with tensions in our society, tensions which have long been within the history of Canada and tensions which, if it had not been for the government's response, I believe would have led to the shattering of our country.

Some hon. Members: Hear, hear!

Mr. Roberts: One cannot say to French-speaking Canadians, as the hon. member for Winnipeg South would say, that 370 years after the arrival of the first French-speaking Canadians, that 200 years after the Quebec Act which protected language rights, that 100 years after confederation which protected language rights, and that seven years after the Official Languages Act, which protects language rights, as a society we have not determined whether these principles of language rights are essential to the fabric of our society. We cannot say that these essential principles are still something we may wish to consider or to reject—that they are in doubt. If we let pass the opportunity to assert our fundamental acceptance of these principles, it seems plain to me that our country will not be able to continue.

Think for a moment in terms of basic human rights. I cannot believe that the former minister of defence would say yes, there have been experiments with the principle of free expression, freedom of speech, freedom of association; yes, those things were started hundreds of years ago and they have been confirmed in various acts of parliament; yes, they have been considered important by Canadians for many, many years but, of course, we do not want to have them protected in any special way in our constitution; we do not want to make these the essential fabric of our country, because we may wish to change or amend them; we do not want to lock these principles into our constitution. He would not say that, nor would any member of parliament.

I would say the time has come, Mr. Speaker, to accept language rights in this country and to give them the same status and importance that we give to other fundamental human liberties. To try to put the argument to French-speaking Canadians that we should wait to see if these are principles that we are going to accept reminds me of Shaw's St. Joan: "How long, how long, oh Lord, before thy kingdom is ready to receive its saints?" I would say: "How long, how long, oh Lord, will it take Canadians to accept and protect the language rights of French-speaking and English-speaking Canadians as essential to this country?"

I put it in terms of language rights and linguistic equality; I do not like the word "bilingualism" because I think it is inherently ambiguous. When one talks of a bilingual society, one could mean a society in which some citizens speak one language and some citizens another. One could mean a society in which all citizens are expected to speak both languages. The phrase in itself confuses some people. I think many people feel it means that some Canadians are going to be forced to learn the other language whether they want to or not.

● (1420)

I have been told the story, I hope it is apocryphal that there are farmers in Saskatchewan who sincerely believe that some day the RCMP will knock on their door and say, "Your number has come up in the computer; it is time for you to go and learn French." That is the kind of attitude which the word "bilingualism" might be taken to imply. I stress "linguistic equality," and "language rights." We are not trying to impose

anything on anyone. We are trying to guarantee to those who speak one of the official language their ability to maintain their language, maintain their culture and maintain their life in that language.

I think most members of the House of Commons and most people in Canada accept, fundamentally, the language policy which I have described. That does not mean there are not questions about its implementation; I am sure there are. Indeed I, myself, have questions about the implementation of some of the programs which have been designed to give fulfilment to those principles which I have described. We have tried a variety of approaches, many of them experimental. Some of those experiments have worked more successfully than we expected. Some of our experiments have worked rather badly, or less successfully. But it is true beyond doubt that the number of bilingual positions in the civil service has expanded greatly in the last five years, that our exchange program in many ways has been successful, and that our youth programs—on which I shall touch later in my speech—have been extremely successful.

Members of the House of Commons are certainly aware of the experimental programs undertaken in Ottawa-Carleton. Those programs were so widely accepted that there was considerable opposition to any suggestion of their being withdrawn. But some of our programs have not been as successful as we would have liked them to be. We shall look at those. There are some methods which we can look at again. We can assess their effectiveness and, if they are not effective, either make them more effective or dismantle them.

Many members have spoken to me about such things, for instance as the regulations which apply to labelling. On my trip out west I heard criticisms about labelling. I heard that the sometimes rigid, overzealous application of regulations in relation to labelling has been an outstanding grievance. I said out there, and I repeat it in the House, that I think in this area there are nits we should not pick, that there are changes which could be made and which should be made. I know that my colleague, the Minister of Consumer and Corporate Affairs (Mr. Abbott), will be looking at the labelling regulations to see if any improvements can be made, to see if he can ameliorate the application of the rules and ensure that they apply only when they will effect, in substance, improvements and not simply outrage and irritate people.

There is also the question of the designation of bilingual positions in the civil service. My colleague, the President of the Treasury Board (Mr. Andras), spoke about that in his speech in the House. I might simply repeat two things he said. First, may I repeat what he said as reported at page 159 of *Hansard* for October 18, 1976:

> —I can already assure the House, for example, that language training programs will be improved, that the linguistic requirements of positions will be reidentified, and that language standards will be revised.

It is not effective, in the pursuit of increasing our capacities to use both official languages in the civil service, to create unrealistic objectives. I also wish to draw hon. members' attention to one more paragraph in the speech of the President of the Treasury Board where he mentions unilingual public servants. We must be sensitive about the problems they face, sympathetic to their needs, their desires, goals and ambitions. The President of the Treasury Board cited his own experience. He said, as reported at page 161 of *Hansard:*

> My personal experience makes me particularly sympathetic to the difficulties faced by unilingual public servants—and I am talking about unilingual public servants of both languages. In undertaking my new responsibilities, I certainly intend to see that these difficulties are very carefully examined and that programs and procedures are reviewed in order to minimize them and, wherever possible, to eliminate them.

I associate myself as strongly as I can with the statement of my colleague. It is important, when we seek to achieve justice for those who are both French-speaking and English-speaking, that is, for those who are bilingual—that we do not do this at the expense of justice and sympathy for those in the civil service who are unilingual.

I think we should again look at and make people more aware of the kinds of appeal provisions which enable the Commissioner of Official Languages to review problems which have arisen in the civil service to do with promotion in relation to bilingual positions. In addition to being willing to look again at the implementation of programs, we are prepared, as a government, to expand efforts on what is commonly called the "youth option". I am not too fond of the word "option" because it implies "either or"—it implies that increasing our emphasis on extending language training to the youth of our society might be a replacement for some of our other programs, the diminution of what we are already doing in other areas. I do not see the programs which we are about to undertake as replacing others.

We have, as a government, already been active in this area. I cited briefly the experience in Ottawa-Carleton with experimental French immersion programs which have been extremely successful. Some people think that is easier to do in the Ottawa area, perhaps, than in other areas of the country. If one goes to Calgary one will find there, as well, experimental immersion programs which have been extraordinarily successful. One finds classes of children in the primary years, happily, easily and cheerfully talking to each other in French as if it were the most natural thing in the world, and benefiting from that experience in the other language. These are experimental programs, but they are certainly not unique. We have embarked upon a variety of programs which are directed basically at younger people. We are trying to make it easier for the next generation to acquire second language skills; easier than it was, perhaps, for many of us.

The bursary and fellowship programs which were established in my department are oversubscribed in every province. There has been a significant increase in the number of elementary school children enrolled in second language instruction across Canada. More and more students are studying French, and for a longer time. The enrolment of children at the elementary level in French second-language programs across Canada has been increased by over 25 per cent during the past five years. The most dramatic increase has taken place in British Columbia, where the enrolment is up almost 200 per

cent. In other provinces, between 1970 and 1975 one finds French second-language programs increasing dramatically. For instance, in Newfoundland enrolment increased by 52 per cent; in Nova Scotia and Prince Edward Island, by more than 120 per cent; by almost 25 per cent in Ontario; over 20 per cent in Saskatchewan; and, as I said earlier, by almost 200 per cent in British Columbia. Clearly, much has been done in the past, but much more remains to be done.

Hon. members, I am sure, are aware of the commitments which the government made in the Speech from the Throne. I draw to their attention again the belief of the government as expressed in these words:

—that a better balance should be established between the money spent to introduce bilingualism in the public service and the money spent to enable more Canadians, particularly young people, to learn to communicate in both official languages.

That does not mean we must diminish our efforts to improve the bilingual capacity of our civil service. It means we must do more to extend our efforts to younger Canadians.

—the government intends to discuss with the provinces arrangements to increase the effectiveness of training in both official languages in the school systems across Canada.

I am sure the provinces will welcome our desire to be helpful in this area and I am sure we shall receive their full co-operation. I would not want hon. members to have exaggerated expectations about what can be done immediately. The limitations are not necessarily financial; there are limitations of human resources. We cannot, with a wave of a magic wand, increase these services and extend them immediately to every point where it is desirable to have them. But that is the kind of effort we intend to make in the very near future.

[*Translation*]

I must say that, however important it may be to put the accent on expanding our youth programs, this entails no reduction in our support for institutional bilingualism. It is very important in our view, not only in substance, but also for symbolic reasons.

The hon. member for Maisonneuve-Rosemont (Mr. Joyal) who spoke Wednesday, underlined the fact there is still a lack of francophones at the executive level in a number of departments. We have not yet reached the point where there are equal numbers of francophones and anglophones in the public service. It is no easy thing either to tell francophones, after 110 years of confederation, that equal opportunities in the public service are always for tomorrow, never for today. It is important however to maintain our efforts for a bilingual public service in Canada.

[*English*]

There can be no wavering, although we may find more effective ways of doing it. We may be able to save money and stop the wastage of money. But on the commitment of ensuring that French-speaking Canadians have equal opportunity within the civil service, and that we should expand our ability to serve the public in both official languages, there can be no diminution and no pulling back.

[*Translation*]

I must also say a few words concerning the situation of francophones outside Quebec. Bilingualism is not a policy directed to Quebec francophones only it is also for French-speaking Canadians outside Quebec.

Yesterday I noted, as I hope this House did also the remarks by the hon. member for Ottawa-Vanier (Mr. Gauthier). It is important in my view for us in government to give our support to the French-speaking community outside Quebec, to be sure to protect them against assimilation. It is not only a question of giving education safeguards, nor giving TV access to culture. It is important to try and maintain a French language context in those communities, in order one may live in one's official language, albeit a minority one. It is also important to guarantee that not only for the benefit of francophones outside Quebec, but also for anglophones within Quebec.

● (1430)

[*English*]

If I could put this policy which I have just described in a larger context, I would describe it as one of our many policies directed toward overcoming divisions in Canada and bringing us together. Language rights are not the only problem in Canada. It is an important problem, but not the only one. Many people in the Atlantic provinces are perhaps more concerned about the problem of lagging economic development. Many people in western Canada are concerned about their sense of alienation or isolation from the decision-making centres of eastern Canada.

There are a variety of problems which face this country. We have developed programs, sometimes successfully but not always, which try to overcome regional disparities in this country. We think it is important that the Atlantic provinces be given equality of economic opportunity to that which exists in other parts of the country. We have tried to develop policies, perhaps not always successfully, which take into account the concerns of citizens of the western provinces. We have tried to develop a transportation policy which provides equality of access to communication and transportation in this country. We have tried to design these policies to overcome barriers between Canadians. They have been designed to bring Canadians together. Therefore, our language policy must enable Canadians to come together. All Canadians should be allowed fully to live with their language without being in the position of second-class citizens.

Our official languages policy helps to protect fundamental human rights. It attempts to overcome divisions which would otherwise lead to explosive grievances based on real injustice. It is on that point I would like to repeat my earlier comments on the remarks of the former minister of national defence, a man whom I respect greatly, a man who is extremely sincere in the statements he makes, a man who perhaps reflects the feelings of other Canadians. However, I say to him that the official languages policy is not something that creates divisions in this country. It is something which helps us to overcome these divisions. That is its real importance of the policy. Our

official languages policy enables us to try to overcome what would otherwise be real grievances and bitter frustrations over the situation of languages in this country. It is in that context we should perceive our policy of official languages.

I have discussed our official languages policy thus far in terms of the protection of rights. I would like briefly to discuss one or two other aspects. I suggest that a policy of protection of our official languages creates the kind of structure in which a multicultural society can thrive. It is trite to say that in the United States they have a different idea of their country, one which is an assimilation or melting-pot. That is what a melting-pot is, an assimilation. The protection of our two official languages establishes a basic structure which accepts and encourages the importance of diversity of cultural point of view. I suggest that a bilingual country, in the sense of having language rights, is one which would be more open and tolerant with regard to a variety of cultural expression, something which makes Canada a distinctive and valuable place in which to live. It helps strengthen our unique multicultural society.

We do not look upon the acceptance of these two major international languages in Canada as a problem or limitation, but as a splendid opportunity.

Some hon. Members: Hear, hear!

Mr. Roberts: On language rights it often seems that Canadians are like the man running along, who stumbled on an opportunity and picked himself up, dusted himself off and ran unheeding on his way as quickly as he could. The existence in Canada of these two major languages—the only developed country to have them—provides us with an economic resource. We should look at the advantages they bring to Canada as a trading nation in the decade to come, and realize the potential of the English-speaking market to the south and the Common Market in which the two major languages are English and French. The language facility that we have is a great advantage; it is an opportunity to be exploited, not a fact to be condemned.

Some hon. Members: Hear, hear!

Mr. Roberts: The existence of these two languages gives to Canadians who wish to take advantage of them a cultural opening. In addition to the sense of uniqueness and identity which they provide to this country, they help us to withstand the pressures of cultural absorption by the United States. There are economic advantages which this facility can provide us with in the future. There are so many good reasons for supporting the official languages policy that it is clear opposition to it must be based to a very considerable degree on a misunderstanding of what we are seeking to accomplish.

It will be my primary task over the next few months, as Secretary of State, to try to dispel the misunderstandings. I will be making an active effort across this country to try to explain our language policy perhaps better than we have explained it in the past. I hope members of all parties will join me in this effort and will attempt to explain what we are trying to do, why it is essential as a basic protection of language rights, why this policy holds no threat of imposition on Canadians, and why it provides our country with a splendid opportunity.

Some hon. Members: Hear, hear!

Mr. Friesen: Mr. Speaker, I rise on a point of order to inquire whether the minister would entertain a question.

Mr. Roberts: Yes, Mr. Speaker.

The Acting Speaker (Mr. Turner): The minister's time has expired. This can only be done with unanimous consent. Is it agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): The hon. member may put his question.

Mr. Friesen: Mr. Speaker, I did not want to interrupt the flow of the minister's speech. Part way through his speech the minister mentioned the three priorities or aims of the government. One is an increased role in education under his department. As the minister knows, education is a prerogative and responsibility that has been assigned to the provinces. Can the minister tell the House in what way the government will protect the integrity of provincial responsibility in this area and still assume a more active role in education?

Mr. Roberts: Mr. Speaker, I thank the hon. member, not only for not interrupting the flow of my speech but for putting the question. It is true, of course, that education is in the field of provincial jurisdiction. I met with the provincial ministers of education in Halifax last September and I did have some informal discussions on this question. We are not seeking to impose our views on the provinces, but I do find them disposed to go along with us in the provision of these services, these facilities. We, in turn, are anxious to encourage the development of this capacity and we shall be glad to offer our encouragement and assistance. There is no conflict.

• (1440)

Mr. Stanbury: Would the minister permit another question? The hon. gentleman, who I am sure will make an outstanding Secretary of State, made reference in his speech to a program we have not heard about for a year or so—the youth exchange program. Taken together with a reference in the Speech from the Throne, the expression of a desire "to enable young people from various parts of the country to learn more about one another," may we be encouraged to believe that the youth travel and exchange program which was so inexplicably and, I might say, inexcusably abandoned a year or so ago, will be reinstated?

Mr. Roberts: I share the hon. member's concern on that subject. This is a matter I began to consider as soon as I became Secretary of State. While I am not prepared to make any specific commitment at the moment, I can assure him this

kind of program will be the object of sympathetic regard on my part.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I welcome the intervention of the Secretary of State (Mr. Roberts) because I wish to speak for a few minutes on the bilingual issue. It is one which is shaking the foundations of our country. Nothing I shall say today has not already been written in the Toronto *Star* in the last few days.

When a western minister, one of the few from western Canada, resigns because bilingualism is too encompassing, and when on the other hand, another cabinet minister leaves to join the provincial political field in Quebec because bilingualism is applied too easily, it seems time to inquire whether or not the policy was fundamentally in error from the start. Yet the bases of bilingualism are not being examined or debated at the national political level, despite the enormous groundswell of popular opposition and the indifference of French Canadians in Quebec. A policy which arouses only mild enthusiasm among the minority it proposes to help, while giving rise to intense hostility among the majority, deserves careful scrutiny. Yet political parties have been unable to carry out any examination of the principle of bilingualism.

The government blames the backlash which has developed in English-speaking Canada on bigotry or red-necked racism. I do not believe this is justified. In my view, Anglophone Canada can be considered one of the more tolerant societies in the world. After all, every society has its own expressions of intolerance. There are plenty of irritants around. But if one examines the causes carefully, one finds that the principle of bilingualism is offending many people.

Inherent in that principle is the assumption that there are two founding races in Canada and that these two founding races occupy, somehow, an elitist position compared with other races. No account is taken of the fact that the Indians were here long before either of the two founding races arrived. Then, again, in my riding many people who came from eastern Europe would consider themselves a founding race because they were the ones who cleared the forests in that area and made a productive part of Canada out of the wilderness.

All these so-called ethnic groups lived through a period in which they were not accepted as first-class citizens in English-speaking Canada. Today, we seem to have adopted a founding race concept which belittles those whose original language was neither English nor French, marking them as somehow different. The idea that there is one founding race, let alone two, makes it difficult to apply the concept of equality in a democratic and fairly egalitarian country. It seems important to me that the idea of equal opportunity should seem to be real, even if its application is not always possible.

During the original debate on bilingualism in 1969, I made the point that the civil service should represent the regionalism which is a fact of life in this country. It is of little help to have a civil servant who speaks both languages but who is totally ignorant of the part of the country he administers. As a western Canadian, it has been my experience that many of the civil servants with whom I have been in contact have no concept of the nature of our problems in the west.

The idea behind bilingualism was to help those Canadians whose mother tongue was French but who did not hold nearly their share of the total civil service jobs available. Today, English-speaking Canadians fear compulsory bilingualism will bar them from the top positions in national politics and the public service. Nor can their fears be dismissed as groundless. I might mention the joke about the lifeguard from Victoria who eventually managed to get a job at 24 Sussex Drive because, although he could not swim, he was bilingual.

I am indebted to a columnist, Mr. Robert Nielsen, for some interesting figures which appeared in yesterday's *Star*. He drew attention to some pertinent statistics derived from the 1971 census. The census found that 14,470,000 Canadians speak English only, that 3,879,000 speak French only, and that 2,900,000 speak both languages. It also found that the language most often used at home was English for 14,446,000 people, French for 5,546,000, and some other tongue approximately 1,600,000.

From these figures it can be inferred that Francophones comprise about 1.7 million of the nearly 3 million Canadians who speak both French and English, or 60 per cent. Thus, they have a 60 per cent start when it comes to filling the bilingual jobs in the federal civil service and in Crown corporations such as Air Canada or the CBC, although they comprise only 26 per cent of the population. In other words, a French-Canadian has four times the chance of getting a job in the senior civil service, compared with a Canadian who grows up in an English-speaking home.

When one considers that all federal supervisory jobs are scheduled to be bilingual by 1978, it is evident that French-Canadians have an inside start, especially since it is not easy to train adults to become proficient in a second language, as we have all observed, judging by the problems which have beset the federal government's language training program. Perhaps the disadvantage suffered by English-speaking Canadians is even greater than the figures I have quoted suggest, since many of the uniligual English speakers live in British Columbia or the maritimes, and the farther away one lives from the seat of government, the less chance exists of getting into the civil service. This is a fact of geography and I am not suggesting that any one person is to blame for it.

Western Canadians, in particular, point out that though they are able to join the civil service, the RCMP and the armed forces, application of the bilingual principle makes it impossible for a great many of them to occupy positions of seniority. Mr. Speaker, when the majority of the country feels dissatisfied and disadvantaged in the competition for jobs in the civil service, the armed forces or the RCMP, it surely spells great trouble for us all.

What about the minority which bilingualism was supposed to help? The program may have made it much easier for French Canadians to take jobs in the civil service—indeed, I believe it has done so—but has it accomplished its goal of swinging their loyalty from the province of Quebec to Canada

as a whole? I do not blame anyone; if I were a Quebec Francophone I would feel much the same way. But it would appear that French Canadians are building their defences in Quebec through Bill 22 which establishes French as the official language in the province. I can understand the purpose of Bill 22, but it is extremely difficult to suggest that it is in keeping with the principles of the Official Languages Act, which itself imposes an unwanted degree of bilingualism on the rest of the country.

● (1450)

Political writers and thinking Canadians, particularly western Canadians, are wondering where all this is going to lead. Will it lead to the break-up of the country? Writing in the Toronto *Star* of October 12, 1976, Richard Gwyn suggested that the "two nations" idea is once again respectable. Bilingualism, which was to be the government's response to the problem, has proved to be a cure as powerful as the original disease. Perhaps it is bigotry, perhaps it is unwarranted fear, but the concept of support for bilingualism has collapsed in English Canada today. Even the premiers of the provinces seemed to be heading toward a form of two nations when they agreed in Toronto that they should have an expansion of jurisdiction over culture, communications and immigration. If a province can have control over immigration, control over who shall enter or leave the province, then in effect it is largely an independent state.

It seems to me that the English-speaking premiers realized that only the province of Quebec would tug away jurisdiction in the fields of culture, communications and immigration. Surely this is "two nations by the back door", whether you want to call it that or not. Many English Canadians have already, unfortunately, separated themselves from the province of Quebec, and certainly this is very true of western Canadians. On the other hand, in Quebec Mr. Bourassa seems to have gained popular support for Bill 22.

Will confederation return to the two nations concept? I do not know. I believe that bilingualism, without some modification of the present policy, has ceased to be practical. The idea in the throne speech of more education in both languages might be helpful, but that is far into the future. Many of us who went to school did have some opportunity to learn a second language. Perhaps the teaching standards in those days were poor compared to the standards of today, but in many instances a kind of resentment was built up.

I should also like to mention a program referred to by the Secretary of State, the aim of which is to transport our youth from one part of the country to another for educational purposes. I know one instance where this worked in reverse In my riding, a certain school band conceived the idea of going to Scotland to compete in a music festival. They made great efforts to apply many times to the Secretary of State for a grant, but found no grants were available. Therefore, the children and parents had to pay their own way, raising $640 apiece. While in Scotland they met a group from Quebec, students of approximately the same age and attending the same kind of school. These students had had their way paid. So in this instance the program worked in reverse.

I know of another instance where a school band made a visit to Holland to play at one of the towns that the Canadians had liberated during the war. They were royally received by the burgomaster and given a town banquet. Then the external affairs people swarmed around them and said what a great thing it was for Canada that they had made the trip. In their opinion, this was only adding insult to injury.

The resignation of the former minister of national defence and the response to his going has certainly indicated that there are large numbers of western Canadians, at least, who view the present bilingualism program as unworkable. There is no evidence in the throne speech that the government intends to modify or to change in any way the workings of this program. This, as much as anything, is aggrieving the Canadian public, and the government, unfortunately, has indicated no real initiatives to deal with this vexing problem.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, as I stood up to make a few remarks I heard the hon. member across the way say, "Oh, no.". Of course, I expect him to say that because this afternoon I shall try to unmask this throne speech for what it is.

Mr. Hopkins: I rise on a point of order, Mr. Speaker. If the hon. member for Nickel Belt (Mr. Rodriguez) was looking at me, then he need not have bothered. It was not I who said, "Oh, no". In fact, I said nothing. I may put in my earplugs, however.

Mr. Rodriguez: The Parliamentary Secretary to the Minister of National Defence (Mr. Hopkins) has just confirmed what we have always suspected, Mr. Speaker—that he is mute.

It is a sad commentary on this government's latest throne speech that it is only one more piece of evidence of the government's complete inability to deal with the real problems facing the people of Canada. In fact, the throne speech shows how incapable this Liberal government is in even understanding what the problems are. Let me refer to the throne speech and to a section that really intrigues me, that dealing with so-called manpower policies. I would like to put on the record an extract from that section:

> In pursuit of the goal of a higher rate of employment, it will be necessary to improve the efficiency of the labour market and actively hasten the return of unemployed workers to productive effort. Adequate income is a prerequisite to human dignity; and the government believes most unemployed Canadians would much prefer to secure that income through worth-while work than through public assistance. In some cases, and locations, this goal can be achieved only through direct job creation by governments.

How can this government be so callous, Mr. Speaker? How can they simply assume that the Canadian people are so gullible as to accept that garbage? Have we in this House forgotten that only six months ago the government told the Canadian people that they were cutting back on one direct job creation program, the LIP program? This was one program that at least created jobs at the local level and met a specific community need. Yet the hon. member for Cape Breton-East

Richmond (Mr. Hogan) had to go to the Minister of Manpower and Immigration and beg him to do something to change the way the LIP grants were calculated in his riding which, due to the government's policies, has a very high unemployment rate. The same unemployment rate exists this year as last winter. It is an area that will be hit with another 2,500 unemployed because the Sydney Steel Corporation will be laying off another 2,500 workers before the end of the year. Yet this callous government has the gall to put before this House a throne speech that says it is going to introduce a direct job creation program!

In my own riding of Nickel Belt there was last year, according to the government's own figures, an unemployment rate of 8 per cent and we received $350,000 from LIP. This year we are told we have a 7.61 per cent unemployment rate in Nickel Belt and we are going to get only $121,000 from LIP. It is said the government is creating 15 jobs. That certainly is a lot! The hon. member opposite is from the northern part of Ontario. How can he be so phony as to tell the Canadian people that this government is creating jobs?

• (1500)

An hon. Member: If you don't want the 15 jobs, I will take them.

Mr. Rodriguez: We want five times 15 jobs. You talk about this in the throne speech, but you do not put up the jobs. Either put up or shut up. This throne speech is just a lot of rhetoric. Let us not forget that last summer the government cancelled the OFY program and sent 30,000 jobs down the drain. At least the OFY program kept youth unemployment down to about 14 per cent, but last summer it was up to 20 per cent. There was a loss of some 30,000 jobs. These were direct jobs in the community that went down the drain. How phony can you get?

An hon. Member: They were just freeloaders.

Mr. Rodriguez: The hon. member for Surrey-White Rock (Mr. Friesen), from the Conservative party, calls them freeloaders. I hope *Hansard* will report what he said. He said there were 30,000 freeloaders with jobs.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Nickel Belt has the floor for the purpose of making a speech. I suggest we all listen to him.

Mr. Rodriguez: This government has shown its strength. It is wonderful how it is so strong with unemployment and family allowances and so tough when it comes to the weak and the disabled. In a show of strength, this government turned around and cancelled the summer student employment program. Obviously, since the government was unable to deal with the problem of student unemployment, it should at least get the facts straight instead of hiding them from public scrutiny. Let me quote again from the throne speech:

> You will therefore be asked to approve a comprehensive, year-round, direct job creation program, directed particularly toward areas of chronic high unemployment. Other programs will provide more job opportunities and improved employment counselling for young people.

This government has the awful gall to even print that, or else the Liberals think the Canadian people are extremely gullible, or write such trite nonsense after having just practised the complete opposite in the last six months to a year. Surely, any analysis of youth unemployment was paramount in planning job opportunities in areas of high unemployment, but thanks to this government we no longer have accurate figures on which to base future plans and programs. Here is another quotation from the throne speech regarding manpower policies:

> You will be asked to amend the Unemployment Insurance Act in ways which will permit insurance funds to be used to maintain the income of Canadians being trained for new jobs, and to help employers retain workers who might otherwise be temporarily laid off.

This is an absolute abuse of the unemployment insurance fund. In a recent study entitled "New Directions for Manpower Policy", Barbara Goldman, of the C. D. Howe Research Institute, wrote:

> Canada gets a real pay-off from training only if the trainees can find steady employment. Otherwise, training is simply another form of income support, and there are, in many cases, other, more effective ways of providing income support.

What is the point in paying employers out of the UIC fund to keep workers on the payroll, when there is no work for them to do?

An hon. Member: Would you rather have them laid off?

Mr. Rodriguez: What is the point of paying employers this money to keep people on the payroll, when there is no work for them? That is absolutely silly.

An hon. Member: That is not what it says.

Mr. Rodriguez: That is what it says; I just read it. The hon. member reads with his usual Liberal prejudices.

An hon. Member: This is typical socialist wind and double-talk.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, you can always tell when you have touched a sensitive note with those people.

An hon. Member: Like the Tories and the Wheat Board.

Mr. Rodriguez: In the same article, Ms. Goldman quotes Seymour Brandwein, who happens to be the director of the office of manpower program evaluation, employment and training administration of the U.S. Department of Labour, as saying in 1976:

> To the extent that economic growth generates new jobs, training programs should be a tool for developing the skills and performance needed to sustain such growth and for equipping workers of limited skills or other background to fulfil the opportunities offered by such new jobs.

This proposal or blind statement in the throne speech seems to me to mean nothing more than the prostituting of the

unemployment insurance fund for the most callous of political purposes, and that is to keep the unemployed from being reflected in the unemployment rate in preparation for an election in a couple of years. This government is made up of the most cynical group of people I have ever come across. At least with the Tories we know where we stand, or at least we know where they stand. The Liberals are prepared to say anything to any group at any time to get the votes which will keep them in power.

Mr. Hnatyshyn: At last we agree.

Mr. Rodriguez: Mr. Speaker, when the official opposition starts agreeing with me, I begin to wonder about the position I am taking.

The proposal to use unemployment insurance funds to subsidize companies which are considering lay-offs is nothing more than a scheme to use UIC funds to subsidize the companies. Such a scheme will not be used to the benefit of the working people: this was clearly shown in April by the economic review of the Department of Finance. That review said that during the session the number of persons employed "did not decline in line with cut-backs in output". The review said that instead of lay-offs, "average hours were reduced" and "experienced workers were put on general maintenance duties rather than being laid off". This phenomenon which the government described is called labour hoarding, and business did it to keep their skilled work force together.

Now the government has cleverly come up with a method that will allow it to use UIC funds to pay these businesses for doing what they would have done anyway.

An hon. Member: Another subsidy.

Mr. Rodriguez: Yes, another subsidy. The government said in the throne speech that the "international trading environment will profoundly affect our economic performance". Indeed it will, Mr. Speaker. The fact of the matter is that the economy of Canada is resource-based and the bulk of our exports, approximately 71 per cent, is raw materials. Our major trading partners are very happy with the situation. A perfect example of this is our relationship with Japan. We have a trade surplus with that country, yet they are quite happy. They are happy because only 3 per cent or 4 per cent of the goods we export to Japan are manufactured goods, whereas their total exports to Canada consist of manufactured products such as electronic equipment, cars and cameras. Inherent in that trade surplus is the number of jobs created by manufacturing from Canadian raw materials. No wonder they are happy with the situation and do not want it changed.

Coupled with that is the growing mechanization of the resource sector of the economy, resulting in greater productivity with fewer hands required. We have a prime example of that situation in northern Ontario where our economy is resource-based. In fact, we are losing our population, as this House well knows, and as a result of that loss of population we will lose one of our federal seats in this House.

• (1510)

It is absolutely important that we realize where the problem lies. The development of selling resources and buying back finished products is not accidental. In the past, these resources were handy and appeared to be inexhaustible. The pick-up artists in the business community and in government, federal and provincial, exploited them for all they were worth, all the time locking us into a long-term pattern of development which is so startlingly dramatized by our trade relations with Japan.

The pattern has a certain vicious life of its own. In trying to balance the dollar value of imports with the dollar value of exports, we must sell more and more of our resources. Because these resources are not handy any more, vast sums of capital must be found to explore and develop them. It is on this point that the mining corporations in Canada have replaced the banks as the worst bitchers in the country. It is part of the pattern that they now howl for government to give them more, and greater tax concessions to further the pattern in which we are hewers of wood and drawers of water.

The Liberal government is not prepared to tackle this problem because it means taking on the corporate elite of this country, the Steven Romans, the Zimmermans, the Grubs, and so on, where the power of the boardroom decides the fate of governments. I mentioned Roman. He is a Tory. He used to be a Liberal. Now he is trying to be on both sides of the fence. That is the reason the throne speech avoids facing this problem like the plague. Instead, the government talks about training Canadians for non-existent jobs. The government, instead of dealing with the problem, comes up with band-aid solutions such as this throne speech talks about. Equally laughable, in spite of the seriousness of our predicament, is this gem from the throne speech:

> In pursuit of the goal of a higher rate of employment it will be necessary to improve the efficiency of the labour market and actively hasten the return of the unemployed to productive labour.

There has been a conspiracy in this country in the last year and a half among government and its cohorts in the boardrooms across the nation: they entered into a conspiracy to find a scapegoat for the mismanagement of the country. Together, they concocted a mythology about the Canadian labour force, and in co-operation with their media arm they propagandized the public. Here is the scenario from their combined points of view: Canadian workers are less productive than their United States brothers and sisters, yet want more pay for less productivity. Furthermore, Canadian trade unions are too powerful and are primarily responsible for the high inflation rate in Canada.

It is time this unholy alliance was unmasked. It is time for us to look at that mythology, to look at that lie which has been propagated for the benefit of protecting this government. We should look at some of the recently released and corrected figures regarding productivity between Canada and the United States which reveal that between 1969 and 1974 the annual productivity rate in the U.S. was 1.9 per cent, whereas in Canada it was 2.8 per cent. It led one bank economist to declare that Canadian wages have risen more rapidly in the

last 20 years but so has productivity. We have held our own against the United States, and gained against Europe. He further declared that industry complaints of the last few years have not been accurate.

Furthermore, I offer as testimony the remarks of no less a raving socialist than Mr. Larry Thibault, chief economist for the radical Canadian Manufacturers' Association. This is what he had to say:

The labour force is first-class. It's a case of using it more effectively.

Yet it is this first-class labour force that the Prime Minister (Mr. Trudeau) and this government set about destroying in 1970. Have we forgotten the Prime Minister facing his opposition and declaring that he didn't care if unemployment went up to 6 per cent; he was going to hang tough and defeat inflation? Have we forgotten those good old days when unemployment was 3.8 per cent and inflation was 4 per cent? Who fought inflation on the backs of the workers? Who proved the Keynesian theory inoperable?

Mr. Speaker, I get a charge out of the old-line parties in this House when they talk about the power of the trade unions. I ask, do the trade unions have any control over the investment policies of the multinational corporations of this country? Do they have any control over the fiscal and monetary policies implemented by this government? Who decides the deployment of the Canadian work force and equipment in this country? Do the workers decide that?

Mr. Nystrom: No.

Mr. Rodriguez: Who sets the productivity levels in this country? Does the trade union movement participate in productivity levels? Whose decisions were responsible for the fact that Canadian plant capacity is operating at only 84 per cent? Whose decisions are these? Who is behind the removal of Canadian capital? Is the trade union movement responsible for Canadian capital going out of this country to be invested in the quick-buck areas of the world? Are the workers responsible for an Income Tax Act which institutionalizes maldistribution of income?

Mr. Nystrom: No.

Mr. Rodriguez: Who is responsible in this country for the redistribution of wealth? I ask, Mr. Speaker, is it the trade union movement? Of course not. These questions bring me to another hilarious aspect of the throne speech which deals with employer-employee relations; in other words, industrial democracy. Here is what the throne speech says:

It is also intended to encourage greater participation by plant workers in decisions affecting their working conditions.

Mr. Speaker, have we forgotten the one department of this government which has direct responsibility for large numbers of workers, the Post Office? Have we forgotten the fight that the Canadian postal workers had to get a technological change clause put into their contract, and the six-week period they were on strike, which caused great hardship to the Canadian people, in an effort to get this government to recognize the right of the workers? We had that great friend of labour, the hon. member for Verdun (Mr. Mackasey) who is now going off to save the Quebec Liberals. It took them six weeks of strike to get the technological change implemented. Then, after having the technological change implemented, the government abused it. The Post Office Department, directly run by the minister, turned around and abused section 29 of the collective agreement time and time again, and implemented technological change in Vancouver, St. John's and northern Ontario.

Mr. Speaker, these are not my words; it is clearly documented by E. B. Jolliffe, deputy chairman of the Public Service Staff Relations Board, in a written decision he handed down on July 28, 1976. He castigated this government for its abuse of article 29 of the collective agreement. He said the government has not lived up to its responsibility to implement that section of the agreement. This is the government that talks about industrial democracy. They have awful gall over there. Shame! When we in this party talk about industrial democracy, we are talking about participation by workers at the plant level in every decision affecting the welfare of employees. The workers must have a say; the workers must have equal control over investment decisions and over the deployment of resources and the international behaviour of the corporations.

● (1520)

An hon. Member: Equal with whom?

Mr. Rodriguez: Equal with the corporate boardroom, which you know about. We have always assumed that these Liberals supported the free enterprise system. We heard it today from the mouth of the big editor in chief of the Ottawa *Citizen*, who said it is like a football game: they fight on the field, but when they are in the club, boy, they can make decisions to make things work. We had suspected it, but now they are telling us.

The workers must participate meaningfully in every way. They must be an integral part of the corporation, and as such they should share responsibility for the destiny of the corporation. I do not mean the kind of industrial democracy which the hon. member for Verdun outlined to the postal couriers in Toronto in a speech, with his offer to workers to participate, and at lunch time he would have Muzak piped in and pool tables and a sauna provided so the workers would be happy. That is the way to treat cows; it is not the way to treat human beings who are intelligent and sensitive and who have potential.

This government does not know anything about that. The present corporate concept of a responsible worker is one who punches in at nine and punches out at five. He punches out "X" number of units, does what he is told without question is never sick, and minds his own business. Incidentally, he does not go to the bathroom, either. I suggest that we are faced with a work force that has a more inspired self-image and is increasingly demanding an active role in the workplace. Workers are better educated now and have quickly become well versed in industrial relations.

If there is to be industrial peace in Canada, then the trade union movement will have to be accommodated in a meaningful way by the corporate sector. This government has a leadership role to play in making sure that comes about. They must not let the Minister of Labour (Mr. Munro) dilly-dally and shilly-shally and sit on the fence on this issue. He cannot say that this is the responsibility of management, while management says it is the government's responsibility. That is the game they have been playing all along. The time has come for this government to be unmasked; they cannot hide behind that approach any longer.

Let me say a few words, Mr. Speaker, with respect to the recent demonstration by labour against the government's so-called wage and price controls program. Let us not forget that the Conservatives proposed such a program in 1974 and the Liberal Party of Canada ran their election opposing it. As a matter of fact, I happen to have one of the campaign leaflets of the hon. member for Peterborough (Mr. Faulkner), who has just been demoted from Secretary of State to Minister of Science and Technology. I want to read from it. On the inside is a picture of the hon. member, minus his beard, and headlined beside it, "Wage and price controls . . . What's wrong with them". The text reads:

> Wage and price controls are an administrative monster—once born it grows like a cancer and is impossible to stop.
>
> Wage and price controls cause shortages.
>
> Wage and price controls misguide the public. They draw attention away from those factors which do affect inflation—productivity, supply and demand, rising importations, tax rates, energy costs, etc.

Finally, at the bottom, in large block letters:

> Think about it? Avoid wage and price controls! Vote Liberal. Vote Faulkner.

Right across this country, from Sudbury all the way to Vancouver and all the way to the east, Liberals put out material such as this. In other words, this government deceived the working people of Canada, they lied to the electorate. In a free society such as ours the government must be held accountable for their deceit. To keep their freedom it was absolutely incumbent on Canadians to protest last Thursday by the most serious, non-violent means possible. I supported that protest, and suggest to those who talk about broken contracts and illegalities that they ought to consider seriously that it is in the face of a sheepish citizenry that despotism breeds and thrives, that when a government lies to its citizens it has broken faith with them and it ought not to expect anything less than the most vigorous response.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Rodriguez.]

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, in rising to participate in the debate on the Speech from the Throne outlining the federal government's legislative program for the second session of the thirtieth parliament of Canada, I should like to congratulate the mover and the seconder of the address in reply to the Speech from the Throne for their very thoughtful and constructive contribution to this debate.

I also wish to congratulate you, sir, on your appointment and also to express my congratulations to the newly appointed ministers, parliamentary secretaries and other officers on their appointments. I offer them my co-operation and wish them success in carrying out their duties for the greater good of Canadians in all parts of Canada.

I truly believe that the present session of parliament is shaping up into the most important and, indeed, most crucial session of our parliamentary career. At least, I believe it is so in my case since I was first elected to the House in 1957. At this moment in our history, each and every one of us should avoid intemperate words and shallow remarks, and instead offer our sincere and best advice to the government which is challenged today by serious economic and social problems threatening the survival of our country. We should be positive at all times in our response to the government's comprehensive program which was designed to strengthen national unity and improve the quality of life for all Canadians, to build a harmonious society and a united country which will better fulfil the needs and aspirations of our people.

Along with many members of the House, I welcome in particular those initiatives announced in the Speech from the Throne which are evidence of the federal government's determination to give enlightened leadership, strong government and unwavering confidence to the Canadian people who are impatiently awaiting our best efforts in these difficult times. The Canadian people today want to be fully and clearly informed about the future. This is, therefore, not the time for half-measures, hesitation or petty politics. Already there has been too much rhetoric and hot air in this House and outside of it on many national issues. It is time we dealt with the big problems, especially those of inflation and the high rate of unemployment.

In dealing with inflation, the government found it necessary in October of 1975 to introduce a temporary program of direct control of incomes and prices. During the past year, most Canadians have co-operated with the government to restrain their demands on the economy, and as a result the inflation psychosis which gripped many Canadians has subsided.

● (1530)

I am also very happy that the provincial governments signed an agreement with the federal government and joined us in this national effort to control the dread disease of inflation. That is why today we are relieved to learn that the cost of living or the consumer price index, rose at a significantly lower rate during the past year than the year before. The true fact is that the consumer price index rose at the rate of 10.6 per cent in October, 1975, and last month it had dropped to 6.5 per

cent. This has benefited everyone in Canada, particularly those on low incomes. The fact is that the increase in the cost living is declining and that Canadian workers, under the anti-inflation guidelines, have been allowed increases in income greater than the increase in the cost of living.

This real gain in income of approximately 4 per cent over the last year has also increased our purchasing power. The anti-inflation program is working and that is why, as we enter the second year of the program, Canadians can expect a further reduction in the rate of inflation. I agree with those Canadians who advocate the removal of controls sometime in 1977, however, because the main advantages of the program are being achieved and it is rough justice which I do not believe can be tolerated too long. We, therefore, welcome the discussion and studies undertaken to lay the groundwork for the removal of controls without the renewal of inflation. Such objectives will be more easily achieved by the government's announcement to limit the rate of growth in government spending. The Bank of Canada's decision to reduce the rate of money supply will also help to contain inflation.

I believe that in these days public sector employer-employee relations should be regarded as an essential element in fighting inflation. Along with improved labour-management relations in the private sector, and measures to increase productivity, the post-controls strategy should study the effect of high interest rates on the consumer as well as on business expansion. I believe that the present high interest rates on loans for business expansion, especially the high interest rates on first and second mortgages, are a deterrent to an increase in the economy, and add to inflation.

I receive many representations from the people in Parkdale, Mr. Speaker, and I believe that other members of the House receive similar representations, to the effect that the money supply policies in Canada must be reviewed. The current high interest rates of 3 per cent to 4 percentage points more than in the United States are costly; they prohibit business expansion and in many cases reduce the ability of Canadians to buy their own homes. High interest rates for first and second mortgages definitely contribute to the difficulty of acquiring a house, especially for a workingman who wishes his family to live quietly and peacefully rather than be closed in a high-rise apartment building.

At the same time, agencies like the government's foreign investment review agency should extend their activities to not only preserve but also produce more jobs for Canadians. In the final analysis, the responsibility for decisions about the right kind of strategy for the post-controls period will rest on the shoulders of the government and parliament, which will be asked to approve the new programs. In this process, however, all sectors of the Canadian economy should be consulted.

In this process of consultation we are happy to learn that labour will not be forgotten. The Speech from the Throne announced measures to improve labour-management relations in Canada. I believe there is complete agreement that improvements in the collective bargaining system are urgently needed to avoid so many costly strikes, loss of productivity and increased social unrest. We, therefore, welcome the initiatives of our government to establish a collective bargaining centre and encourage greater participation by plant workers in decisions affecting their working conditions, upgrading of skills and job safety, with security and adequate pensions.

In particular, I enthusiastically approve the federal government's decision to establish an industrial safety and health centre to assist both companies and workers to identify and remove hazards. I hope that all provincial governments will follow the leadership of the federal government and to do their share in their respective fields of responsibility.

Industrialization and swiftly increasing technology, with its resultant new products, are radically altering the environment and exposing man to growing amounts of harmful pollutants and dangerous products. Today we are faced with the great problem of environmental diseases which were unknown 30 years ago. Among these environmental diseases we include cancer caused by various chemicals and substances such as asbestos, vinyl chloride and even chlorinated water when combined with certain pollutants. Other environmental diseases include birth defects, mercury poisoning, respiratory disorders, and deafness. The proposed industrial safety and health centre should be able to identify health hazards quickly and recommend changes and strict enforcement of regulations, or help establish new regulations and prevent new toxic substances from entering the environment by adequate testing and screening out dangerous chemical compounds before they are used in products or manufacturing processes.

I believe that the federal government should give serious consideration to special toxic substances' regulations, making it the responsibility of manufacturers to prove that all their products are safe before they are put on the market. This national industrial safety and health centre should also deal without delay with industrial noise which is causing occupational hearing loss, now the third most common industrial disease in Ontario. Mr. Speaker, deafness is a silent, invisible, painless epidemic which today afflicts more Canadians than are sick from cancer, venereal disease, blindness and multiple sclerosis put together.

As a physician, I greet with satisfaction the initiative of the Minister of National Health and Welfare (Mr. Lalonde) to tackle the problem of alcohol abuse which is costing our economy about $1 million every day but is, above all, causing untold harm to personal and family life and contributing to 3,000 deaths in road accidents. It is costing the country $360 million every year in health and hospital expenses. Alcoholic cirrhosis of the liver, a complication of alcoholism and a leading cause of death among heavy drinkers, has become the fastest rising killer in the over-25 age group in Canada, thus putting this disease ahead of lung cancer and suicide.

I am disappointed, however, that no substantial effort has been made to fight the ravages of heart disease and arteriosclerotic complications, the leading cause of morbidity and mortality in Canada, which has reached epidemic proportions. I urge the Minister of National Health and Welfare to organize a concerted campaign to fight this crippling disease.

● (1540)

The bulk of representations made in my constituency office consists of representations for adequate housing at affordable prices. Adequate accommodation at affordable prices is necessary to a stable society. The ownership of a home for his wife and children is the goal of the workingman, or of most workingmen. He would sooner own a home than be squeezed into a tight and crowded apartment building. It is, therefore, particularly important to provide this much needed shelter at a reasonable price. Unfortunately, the relatively cheap mortgage money under the federal government's Assisted Home Ownership Plan is only available to those whose monthly payments are not more than 25 per cent of their total income. This means that because of the great increase in the price of houses, less than 30 per cent of Ontario families in 1974 were eligible for this program. Therefore, other programs should be devised to meet the needs of the majority of our population.

I believe present mortgage interest rates of 12 per cent are too high, and the required down payment is beyond the capacity of many people. Surely, more could be done, indeed must be done, in a country as rich as Canada to reach the desirable social goal of home ownership. Surely, government at various levels could help eliminate some of the barriers to home ownership, such as the high price of land. We need less red tape in the approval of developments and provision of serviced land, a simplified and unified building code, lower charges for registration, reduced costs for developers, builders and buyers and, especially, mortgage rates at reasonable levels. In a just society we should strive to provide a decent house at a reasonable cost for the workingman.

We also welcome the federal government's new campaign to assist small business by appointing a special minister of state to develop better programs for this important sector of our economy. The proposed assistance in reducing paper work, providing easier and larger loans and more consulting services, will strengthen the position of small business and provide more jobs and greater economic growth. Moreover, as Canadian subsidiaries of large foreign corporations have great advantages over their Canadian competitors, some tax advantages or incentives should be forthcoming to Canadian-controlled companies.

Many Canadians are impatiently awaiting either a new or a thoroughly revised Immigration Act. Modern Canada is a country of immigrants or descendants of immigrants, shared with Canadian Indians and the Inuit people. Therefore a just, sound and farsighted immigration policy, administered under a new Immigration Act, would contribute immensely to greater national development, family unity and the cultural enrichment of our country.

No Speech from the Throne includes all the proposed legislation the government intends to bring before parliament. I therefore urge the Minister of Justice (Mr. Basford) to reintroduce the legislation knows as Bill C-83 in the previous session, an act for the better protection of Canadian society against perpetrators of violent crime. Many members considered this legislation a necessary precondition to the legislation amending the Criminal Code with respect to murder.

[Mr. Haidasz.]

In view of the make-up and nature of the population of my constituency, Parkdale, I am greatly interested in the proposed legislation on human rights. The purpose of this legislation is to prohibit discrimination on the grounds of race, colour, national or ethnic origin, religion, age, sex, marital status or physical handicap.

Mr. Friesen: Or party affiliation.

Mr. Haidasz: In particular, the human rights bill will establish the principle of equal compensation for work of equal value performed by persons of either sex. It will also establish a citizen's statutory right to gain greater access to personal records in federal information files and to correct that information when it is in error.

I urge the Minister of Justice to review the bill he brought forward in the last parliament. I urge him especially to make a study of the unfair sections and bad effects of Quebec's official language act, often referred to as Bill 22. Along with many Canadians, I am not in accord with some of the principles embodied in the act, in particular the one restricting the freedom of parents to choose the language of education for their children. It is contrary to the letter of the Canadian charter of human rights which our Prime Minister (Mr. Trudeau), when he was Minister of Justice, presented to a federal-provincial constitutional conference in January, 1968. I wish to draw the attention of hon. members to that charter, especially page 27. As for education it speaks of

> —guaranteeing the right of the individual to education in institutions using as a medium of instruction the official language of his choice.

Bill 22 also appears to go against the spirit of international declarations and covenants on human rights which Canada has ratified.

I welcome the Prime Minister's commitment, as set out in the Speech from the Throne, that grievances from public servants through the Commissioner of Official Languages will continue to be reviewed and that the government will ensure maximum fairness and effectiveness in the implementation of the official languages policy, especially in finding a better way of spending taxpayers' money, by introducing bilingualism in our schools. I am sure we all agree that the great majority of Canadians are dedicated to the strengthening of bonds between Canadians speaking our two official languages and those belonging to our many different cultures. I firmly believe that multi-culturalism can only thrive within the framework and harmonious atmosphere of official bilingualism.

We must not allow fear, prejudice, misinformation or discrimination to dominate our reason and passion. We must, rather, display tolerance and understanding; otherwise all Canadians would lose, and all Canada would be lost, this great country, the envy of the world, which our predecessors built up and left to us in trust—a country which it is our moral duty to pass on to future generations, strong and united.

Mr. Sinclair Stevent (York-Simcoe): Mr. Speaker, as I listened to the hon. member for Parkdale (Mr. Haidasz), I could not help but observe what is happening in this House as we watch a government disintegrate. We now find that there are some 40 representatives who have been in or are in the cabinet. Ten hon. members opposite are ex-cabinet ministers. We have 29 ministers in what I call the outer cabinet, and one, the Prime Minister (Mr. Trudeau), in the inner cabinet.

An hon. Member: That is 25 per cent of the Liberal caucus.

Some hon. Members: Oh, oh!

Mr. Goodale: That was a cheap shot.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, may I continue? I join with others in extending my sincere compliments to the mover and the seconder of the address in reply to the Speech from the Throne. I would also like to compliment my leader for his effective and worthwhile comments last week in this debate. Perhaps I should make no comment about the contribution of the Prime Minister. Why embarrass his followers any further?

• (1550)

I rise today to address this House on matters of great concern to me. I refer to the fragile state of our economy and the continuing deception and duplicity on the part of the government by their omission or commission on issues vitally important to this country. The Prime Minister, in his remarks to this House, devoted considerable time to defending his administration's wage and price controls program. It was difficult for him to claim any victory, however, without twisting the cost of living figures a wee bit. That, I suggest, is exactly what he did. What he did not do, at least to any real extent, was address himself to this nation's worsening position in foreign trade, our rising unemployment and our net real growth.

Let me begin by noting a few conspicuous distortions in the Prime Minister's remarks on the controls program, and briefly mention what the government has failed to tell us about Canada's place in the world markets. Sitting in Canada, unless you travel or wish to invest in a foreign country, it is often difficult to realize that we are literally sinking as a nation as far as our dollar's buying power is concerned in relation to many other nations of the world. Sure, we are very rightfully, disturbed about regional differences in Canada, and I suggest that more and more people agree that such regional differences should be eliminated as far as possible. However, are we really achieving something worth while if we allow the nation in general to sink lower and lower in terms of our real worth and value in relation to other nations?

When this government initially took office, we were proud number two among the world's nations as far as per capita income was concerned; close to being number one, number one being the United States. Where are we today? We are number seven. The Americans have held their position at number one, but under this administration we have sunk to seventh in the world. When we deal with this topic, I draw hon. members' attention to the fact that two years ago the government spoke of the relationship of inflation here at home to international conditions abroad. In that Speech from the Throne in September, 1974, we recall how they painted a picture that somehow we had become tangled up in world conditions, that inflation was an international phenomenon and that somehow we in Canada would have to wait until that phenomenon changed internationally before we could do much about it in this country.

It is very interesting to note, if you read that throne speech, that the government very clearly predicted that international food and commodity prices would fall and return to what they called a normal level. That was the message two years ago. However, rather than take the crest out of the inflation that they anticipated with a controls program that could have been instituted in July, 1974—and, incidentally, as was suggested at that time by my party—this government chose to wait. The government waited a full year before they instituted a controls program. I suggest they instituted it at the wrong time and have delivered an administrative monstrosity in their program.

Strangely enough, we sat in this very chamber and listened to the Prime Minister now attempt to take credit for the fall-off in prices that only two years ago they predicted in their throne speech was going to occur. He takes credit because he is trying desperately to justify the controls program that was instituted in his own caucus and in this House on the people of Canada.

Much has been made in this House and elsewhere of the fact that the annual rate of change in consumer prices fell from 10.6 per cent in October, 1975, to 6.5 per cent in September, 1976. However, almost all this improvement resulted from the decline in food prices. It is the farmer who has taken the brunt of the government's anti-inflation program, yet it is the government that is now attempting to take the credit for any fall-off in prices that we are now experiencing. Let me be specific.

Mr. Dionne (Northumberland-Miramichi): Explain yourself.

Mr. Stevens: I have been asked to explain myself, and I will do exactly that. I ask the hon. member to quieten down and listen to a few figures. The annual rate of increase in food prices decelerated from 12 per cent at the start of the controls program to a negative 15 per cent in September, 1976. That is how the farmer is being hurt by this Trudeau administration. Remember, food prices are only affected in an indirect way by the anti-inflation program. The area of consumer expenditures more directly affected by the controls program, non-food items, has shown only a minor improvement, decelerating from 10.2 per cent in October to only 9.3 per cent in September, 1976. The claim that the consumer price index figures show inflation to be under control is more than just premature; it is sheer nonsense. Clearly, the government is trying to declare

victory in the fight against inflation on the basis of faulty statistics.

The government argues that lower agricultural prices have been passed on to the consumer because the profit margins of distributors, processors and retailers are controlled even though food prices at the farm gate are not. Hon. members will recall that in addressing this House, both the Prime Minister and the Minister of Finance (Mr. Macdonald) made this point quite clear. I wish to read into the record what the Prime Minister stated on October 13 as reported at page 31 of *Hansard*:

—what is important to the worker's wife when she goes shopping is that, because of price controls, she has more purchasing power this year than she had in 1975 before controls. Apparently it does not suit the CLC or the NDP, or for that matter the Tories, to tell that to the Canadian worker and to his wife. I wonder why. Perhaps the opposition will tell us why during the course of this debate—

I welcome that invitation by the Prime Minister. The truthful answer is that his figures are dead wrong. They are dead wrong according to the figures of October 12 by the Department of Finance. Before getting to those figures, I want to show what the Minister of Finance stated, as well as indicate that the Prime Minister went on to say that 60 per cent of the cost of food was made up of such items as distribution costs, profits and other related matters. In the same debate, on October 14, the Minister of Finance said the following:

—as a result of the work of the Food Prices Review Board, and what now seems to be forgotten, is that up to 60 per cent of the cost which the consumer pays for his food arises from the costs of transportation, processing and distribution of food products.

That is the figure. Let us remember it. The Prime Minister said it was about 60 per cent. The Minister of Finance was a little more honest. He said "up to 60 per cent". What are the actual facts disclosed by the Minister of Finance in his own paper which he tabled, entitled "Status report, the anti-inflation program and the economy". I refer to the first page, wherein it is stated:

● (1600)

Depending on the item, from 30 per cent to 55 per cent of the price the consumer pays for food is accounted for by transportation, processing and distribution activities which are controlled under the anti-inflation program.

I have never seen such a contradiction, in one week, between a statement made by the Minister of Finance, earlier by the Prime Minister, and then refuted by the very paper which the Minister of Finance had previously submitted to the House. Our consumer price index is made up of many items in different categories, but about 30 per cent relates to food and, as we know, food prices at the farm gate are not controlled. Yet this is the area in which the sharpest decline has taken place. Nowhere has this administration thanked the farmer for allowing prices to fall as a result of market action—by as much as 20 per cent in the case of beef. Nowhere has the administration singled out those who are the chief inflation fighters in Canada, namely, our farmers. Nowhere does the administration give any credit to the marketplace as being the chief ingredient in lowering prices in this country. There is no mention of that truth.

There is no mention of another observation made in the paper to which I have referred. At the present time, a vicious price war is going on among the grocery chains, and any suggestion that they are abiding by the anti-inflation program is not true. In some cases they are running their businesses at sharp losses, which means that food prices are lower than they might otherwise be. But the situation I have described will not last and prices, as far as the food element is concerned, will begin to increase. Let us not allow the administration to say prematurely that somehow controls are having an effect on prices. That has not been demonstrated.

You will recall, Mr. Speaker, that I prefaced my remarks by commenting on the government's duplicity with regard to issues vital to the well-being of this country. Another example of such duplicity is the flip-flop during the election campaign. You will recall that the Liberal party energetically campaigned against wage-freezing and price controls. They went from riding to riding stating that such a program would be detrimental to the economy. Yet little more than a year later, without a mandate, they brought in the very controls against which they had campaigned.

The Prime Minister stated in his speech that inflation was down to 6.5 per cent. But look at the facts. Even if the administration succeeds in reaching the goal of 4 per cent, what will it have achieved? It will have brought the level of inflation back to where it was in 1971. Isn't it ludicrous to create a problem through irresponsible monetary and fiscal policies and then expect this House and the people of Canada to congratulate the government for returning the nation, as far as inflation in concerned, to the state it was in in 1971 when most of the problem arose? I have already referred to the Prime Minister and to the Minister of Finance, but perhaps in all fairness I should not dwell exclusively on those two—

Mr. Knowles (Winnipeg North Centre): "Characters."

Mr. Stevens: However, I should point out, in all fairness to the Prime Minister, that the record seems to deteriorate from the time John Turner took over as minister of finance in January, 1972. When he took over from Edgar Benson, inflation was running at 4.9 per cent. When he left, it was 10.6 per cent. During his 44 months in office, the cost of living jumped by 38.5 per cent and the dollar, if one assumes it to be worth 100 cents in January, 1972, was worth only 72 cents when he walked out.

At the time John Turner was given the mantle in January, 1972, there were 544,000 people out of work. When he left, 732,000 were unemployed. In spite of all his huffing and puffing, in spite of all the measures he took to facilitate employment in business, only 69,000 jobs were created in the manufacturing sector from December, 1971 to December, 1975. In 1972 there was a surplus of $700 million in our current account balance. In 1975 there was a deficit of almost $5 billion. In the aggregate, since John Turner took over, the nation has had a current account deficit every year. Including the projections for 1976—a deficit estimated at $4.5 billion—

our current account balances will have aggregated approximately $11 billion in the red.

To put it another way, last year and this year Canada will have the largest current account deficit of any country in the world. So let us not laugh at Great Britain, or at Italy or at other countries which have deficits until we have taken a good look at ourselves. Consider Britain, for example, a country almost totally lacking in natural resources such as Canada has exploited for so long. Is it not remarkable that we should be running a greater current account deficit than that nation, despite all its troubles?

This is a situation which the administration must take to heart. It is one which must be challenged and reversed. But let me get back to our wonder boy, John Turner. Frankly, the biggest wonder about John Turner is that he was allowed to stay on for as long as he did. When he got the job as minister of finance, real growth in this country amounted to 6.6 per cent. When he left, it was .3 per cent and on a per capita basis it was negative. In terms of real growth, the ground we lost under John Turner as minister of finance now costs this country $5 billion a year, or almost $200 per person. In addition, there are some 200,000 more people out of work as a further consequence.

Consider the record with regard to federal government restraint. During the period in which Turner was minister of finance, spending by the federal government jumped 99.8 per cent. To put it in another way, it took us 105 years to reach a federal spending level of $17,004,400,000. John Turner doubled that figure in 44 months. In the aggregate, Mr. Speaker, under the budgets that he brought into the House, $113 billion of taxpayers' money was spent, or at least borrowed. Is it not sheer hypocrisy that the same John Turner now righteously speaks at various club meetings about excessive government spending?

● (1610)

What did he do about excessive government spending when he was in office and could do something about it? The fact is that he ran. Since the time that he ran, he has not even had the courtesy to tell the House or the people of Canada why he ran. At least the most recent ex-minister, the former minister of national defence, has attempted to explain to the Canadian public the reason for his defection from the cabinet. Not so the former minister of finance. We thought that Edgar Benson was bad, Mr. Speaker. In fact, many things about Benson appeared to be undesirable so far as his handling of the finance portfolio was concerned. But let me assure the House that compared with John Turner's spending habits, Benson was a Scrooge.

However, there is some hope, Mr. Speaker. We now have a new Minister of Finance, a man who we all know hopes to be prime minister. In fact, I understand that is the main reason he took the job of Minister of Finance. He is prime minister-in-waiting, if you like. Meanwhile, we in the nation have to wait for some economic policy. Perhaps it is too early to judge the record of the Minister of Finance, though to date that record seems to be one of lurching from indecision to indecision. As we know, the Minister of Finance has tabled a working paper entitled "The Way Ahead", obviously looking for a program for the post-controls period.

As an old Osgoode Hall classmate of the minister, may I suggest that it is not necessarily innovation that is needed to solve our problems, but primarily a policy that gets back to some sound fundamentals, to some basics in terms of fiscal and monetary matters. If the minister does not want to take Conservative precedents, let him look at the government of Louis St. Laurent and the then finance minister, Walter Harris. I say that because it is of interest to note that in the year 1955, the year the minister of finance and I graduated from Osgoode Hall, inflation in this country was one-tenth of 1 per cent, real growth was 10 per cent and unemployment was 4.4 per cent.

In the interval, the figures for real growth and inflation have just about been reversed. We have ended up with 10 per cent inflation, rather than 10 per cent real growth; we are in a position where we had virtually no real growth in the economy last year. I can only suggest to the Minister of Finance that he may find that the government of Louis St. Laurent was doing something right, and what I suggest they were doing right was that they were following responsible fiscal and monetary policies.

I notice in the throne speech that the government seems to have discovered the marketplace. The government has found that there is such a thing is private initiative. The government has even become alarmed recently at its own level of spending. I welcome this "Johnny-come-lately" approach, though I notice that Canada's greatest problem, that of foreign trade, is virtually ignored in the throne speech, as it was in the speeches of the Prime Minister and the Minister of Finance.

Frankly, Mr. Speaker, we have been living beyond our means for some time, yet the government has done little to correct the problem. Canada's credit rating around the world has been jeopardized as international bankers have become alarmed at our increasing deficits, our rising foreign debt, our high inflation and lack of productivity in industry. We need, and in fact have needed, this credit, in international terms, to keep afloat. The present administration has been balancing its international accounts by adjusting our monetary system so that the provinces, municipalities and corporate concerns in this country have become big borrowers in international markets.

For example, last year it is estimated that Canadian borrowers took down one-quarter of the total amount borrowed internationally by all the countries in the world combined. Imagine, Mr. Speaker, a country with the resources we have in Canada having to beg and borrow all over the world to cover our huge trade deficit! In this connection, I think the House would be interested in a speech made only last week by Dr. Peter Campbell, vice-president and director of Wood Gundy Limited. He made a speech in Montreal pointing out the magnitude of our foreign borrowing in international markets. He also pointed out that this foreign borrowing was

encouraged by some of the moves made by the former minister of finance, John Turner, whom we all recall withdrew the withholding tax with respect to provincial borrowings and corporate borrowings offshore.

The fact is that if you review the figures put forth by Dr. Campbell, you discover that in the first nine months of this year the total amount of foreign borrowing by Canada was almost $7 billion. That is the amount that the corporate, municipal and provincial sectors have borrowed offshore or in the United States, which means that almost 50 per cent of the total debt incurred by those various sectors was actually borrowed from outside Canada. The reason I mention that is that in 1972 the total financing at the federal, provincial, municipal and corporate levels was only $6.6 billion. In short, in the first nine months of 1976 we have borrowed more outside this country than the total borrowing at all levels of government in Canada in 1972. Incidentally, in 1972 only 21 per cent of that amount—

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. gentleman that his time has expired. He may continue with unanimous consent. There is no unanimous consent.

Hon. Herb Gray (Windsor West): Mr. Speaker, first let me congratulate the mover and the seconder of the address in reply on their very fine efforts. I am pleased to see the tone of optimism and confidence that marks the Speech from the Throne that has opened this second session of the thirtieth parliament. It reflects, in my view, more of the underlying reality of Canada and its future prospects—in spite of the problems it obviously continues to have—than the tone of pessimism about our future that marked the Prime Minister's interviews at the end of last December and his more recent speech to the Liberal party caucus conference in Toronto.

At the end of 1975 the Prime Minister spoke about the failings of the market system. Now the Speech from the Throne and the government's working paper places Canada's future primarily in the hands of the same market system. They commit the government, not to replace it but to make it work better, with pledges of due attention all the same to social costs and concerns. The Prime Minister's speech in Toronto a few weeks ago had in it a note of pessimism and doubt about the future of the Liberal party, as well as the more important issue of the very future of Canada.

However, none of this kind of concern and pessimism is at all evident in the Speech from the Throne, which is as much a statement for which the Prime Minister and his government take responsibility as any speech they may make directly in their own names. For example, the Speech from the Throne says that "Canada has better reasons for confidence and optimism than has virtually any other nation; that the fundamental reality that will guide our deliberations is that Canada is entering upon a decade of opportunity".

● (1620)

As Dickens wrote in "The Tale of Two Cities" about another turbulent period of history over 200 years ago, "It was the best of times, it was the worst of times". Many would say the same thing about our own times. However, they are likely neither the best nor the worst. The reality is likely somewhere in between. Perhaps that is why the government in the throne speech opts for the middle road in its policy direction. If such a term is reassuring to many, at the same time it can raise questions as to exactly what it means in terms of government leadership and action.

If the tone of the throne speech is one of relative optimism, confidence and serenity, I think there could be more in the speech in the way of words of clear and passionate commitment by the government to the ideals and objectives it wants to achieve or wants to see Canadians strive toward. If there was a major threat to Canadian unity, one as great as any since the conscription crisis, as had been earlier suggested by the Prime Minister (Mr. Trudeau), one could have expected the speech to have more of a tone of absolute commitment to preserving Canada as a united country from sea to sea.

Speaking of commitment, I wish the throne speech had expressed as strong a commitment to greatly reducing unemployment as the one it expressed to continuing the fight against inflation. We have had some significant progress in the past 12 months in the fight against inflation, but we have seen little progress in the fight against unemployment which has remained stuck at the 7 per cent level for all too many months.

The throne speech speaks of the government's desire to create new, year-round direct employment programs. This is welcomed, but I seem to recall a similar announcement earlier this year when it had to answer those who said there would be harmful effects for hundreds of thousands of Canadians when the cutbacks of eligibility for unemployment insurance and other limitations it proposed in the last budget went into force, especially in the less developed regions of the country.

I hope the direct unemployment programs proposed in the throne speech will be soon set up and will be successful. However, unless the government departs from the objectives stated in the speech, of much less government intervention and a restriction on future growth of government, one cannot expect such direct employment programs to create enough jobs to make a real dent in current unemployment figures. These programs will be useful but they cannot be a substitute for satisfying jobs in the private sector, producing goods and services which add to our exports and generally add to our economic wealth and gross national product.

There must be more attention shown by the government to getting the economy moving than the government appears as yet ready to do from the words of the throne speech. The time has come for action to deal with our high interest rates, the high value of our Canadian dollar which makes our exports more expensive in world markets than those of our competitors, as well as action on certain specific kinds of tax cuts and measures to improve productivity.

The Speech from the Throne and the government's working paper point to the contribution the market system has made to our country's development until now and which it can make to its future development. Both documents explain why the gov-

ernment has decided to take what it describes as a middle road between greater government intervention and relying primarily on the private sector. However, these documents convey the message that it will in fact be relying more than ever on the market system and private enterprise as a means of allocating resources and of enabling Canadians to achieve their personal objectives of growth and well-being.

The throne speech talks about examining government programs to see which ones might be handled by the private sector. I believe all government activities and programs should be reviewed on a continuing basis to ensure they meet current needs and that their costs are in line with their benefits. However, we should not forget that the government has become involved in providing many kinds of services because of the unwillingness or inability of the private sector to provide them at all or to provide them at a cost and with a degree of access satisfactory to Canadians generally.

The government must make sure that it takes no decision to turn any of its current activities or programs over to private enterprise without making certain that the quality of the service and its availability to Canadians will not suffer. It is argued by some that the handling of activities by the private sector that are now carried on by government will enable better indentification and distribution of the economic costs. However, Mr. Speaker, there are social costs as well as economic costs involved here.

For example, market forces do not, and cannot, do a satisfactory job of ensuring product safety or preventing products from being sold that cause injury or death. Consumer protection legislation in the area of food and product safety has a cost, but there is also the often greater cost to the individual and his family and to the entire community arising from harm caused by unsafe products. There is also the matter of defining product quality.

Economic costs cannot be the only factor to be taken into account in assessing the impact and desirability of government regulations and programs. There are considerations of health, safety and social justice to be borne in mind. The benefits of the regulations and programs may well be found to outweigh their costs when all of these aspects are taken into account.

Over a year ago the government made promises similar to those made in the throne speech to the effect that there would be less government intervention and a review of government activities to see which ones could be reduced or turned over to the private sector, if not eliminated completely. These promises were a major component of what the government said was to be a comprehensive "attack on inflation", according to the white paper with which it launched the controls program. But since then on several occasions I have asked how that review promised in the white paper was to be carried out, by what department and also what minister would be in charge of this effort. There have been no answers or any indication that the work has even been started.

Before one can become too enthusiastic about the possible useful results of most recent proposals which are similar to those in the anti-inflation white paper of a year ago we should, I think, have some answers as to how they are to be carried out, by whom and over what period.

There are a number of topics which quite properly are specifically mentioned in the Speech from the Throne; bilingualism, the fight against inflation, human rights legislation, and so on. However, one has to say that the speech is also notable for what is not specifically mentioned in it. There appears to be little directly stated in it for the Canadian consumer. In fact, I do not think the word "consumer" is to be found anywhere in the speech. It can be argued that the Canadian consumer will benefit from a successful fight against inflation, and that the second stage of the competition policy mentioned in the speech will have important though indirect benefits for the consumer, at least over a period of time.

As I have said, while there is direct specific reference to programs, for example for business and labour, there is no equivalent specific mention of programs for the consumer. The current throne speech does not mention a "comprehensive overhaul of consumer credit legislation" as did the October, 1974, speech, even though the press reported that late last year the then minister of consumer and corporate affairs was ready to introduce a bill to achieve this. That bill has not yet had first reading, even though the proposal for it was mentioned publicly before the 1974 election and was part of the election platform itself. The present Minister of Consumer and Corporate Affairs (Mr. Abbott) has made reference to it in a recent speech outside the House.

It is, therefore, puzzling that the government as a whole, the cabinet, has not seen fit to make specific reference to this legislation in this throne speech. It is also puzzling that the speech makes no mention of a "total revision of bankruptcy law" and "improved safety of consumer electrical products", which were found in the speech of October, 1974. Both of these items were also part of the 1974 election platform.

The bankruptcy bill, with its important provisions giving new and higher priority for wages owed to workers in case of bankruptcy of their employers, at least received first reading in the last session and some study during that period by the Senate. This throne speech, however, gives no hint as to the government's intention about this bill for the current session. Also, improved safety of consumer electrical products did not surface publicly, at least anywhere during the last session.

The new throne speech does promise stage two of the new competition policy which would thereby complete the process of reform of our competition law which I began as minister before the 1974 election with the stage one bill, a bill that became law in January of this year. I think it should be of concern to consumers that nothing is said about the stage two bill finally making class action rights available for consumers and for small businessmen as well.

● (1630)

These rights are important to consumers who are harmed by uncompetitive or unscrupulous business activity contrary to our combines legislation. The right to sue through class or representative action should have been adopted as part of the

first stage legislation. This had been my own announced intention. The government should commit itself now to putting it into the second stage bill, along with a general trade practices jurisdiction. The latter step is needed to help stop the building up of conflicting and overlapping provincial trade practice legislation, which is coming to mean differing standards of protection against the same kinds of unscrupulous business practices for consumers, depending on where they live. Overlapping and conflicting provincial legislation also means harmful and unnecessary uncertainty for business as to the rules it must follow. In any event, the government should make a commitment to introduce the stage two legislation as soon as possible.

A major concern of both Canadian consumers and producers, food policy, is almost ignored in the throne speech. It is skipped over in a couple of brief and opaque sentences to this effect:

> As a further element of the government's food policy, measures will be introduced to make more farm-stored crops eligible for advance payments. The government will also work with the provinces and farm organizations to strengthen the structure and productivity of Canadian agriculture.

There is nothing in the speech about developing a comprehensive food policy covering all elements of the food chain from producer to consumer. Yet there have been growing expressions of concern by Canadians generally about the seeming confusion and conflict in the government's present approach to food policy. There is the awareness of the world's need for food and the fact that Canada is one of the few countries with the potential and capability to be an exporter of food. There were hints before the throne speech from government spokesmen and, in fact, more than hints, that food policy was to be a major thrust by the government in the new session. It is, therefore, surprising and disappointing that so little is said about this in the throne speech we are debating now.

The speech conveys the impression that there already exists a government food policy which is comprehensible, comprehensive, and working well. That there is not yet this kind of policy is demonstrated if one looks only at the evidence provided earlier by the egg marketing situation and more recently by the industrial milk situation. Surely the time has come for the government to commit itself to a parliamentary review of its existing food policy. More important, surely the time has come for the government to work out and present proposals for a comprehensive national food policy covering all elements of the food system from producer to consumer. This is something that deserved specific reference as a government commitment as much as any of the other subjects mentioned in the throne speech.

The all too brief reference to food and agriculture raises as many questions as it answers. Increased productivity is a commendable objective, but in the light of the surpluses we have had, first in egg production and at least until recently in dairy production, the problem in our agriculture is certainly not one of surplus. Instead, it is one of how to find ways that meet the needs of the world and Canadians for an adequate supply of reasonably priced nutritious food.

[Mr. Gray.]

Efforts to improve productivity in secondary manufacturing deserved mention in the speech no less than that given to productivity in agriculture. A specific statement of a thrust in this direction should have been in the throne speech in light of the justifiable concern both of the government and Canadians generally during the past year about declining productivity and, therefore, our competitiveness in world markets.

But to return to agricultural policy, surely the time has come to examine some of the basic assumptions of one of the key elements of the food policies we have, that is to say, the extention of supply management to more and more basic commodities. Many began, as I did, by being favourably impressed by the concept and supportive, as I continue to be, of what its proponents held out to be its basic objectives—fair income for producers and a steady supply for consumers at fair prices. But the government's efforts in supply management to date, especially in dairy products, have satisfied neither producers nor consumers. One must ask, after observing the developments over the past year or two in that industry, whether the supply of some of these kinds of products is capable of being managed at all, at least in the manner that has been pursued by the government.

At the very least, if there is to be a workable system of supply management, it requires a capacity for forecasting, foresight, planning and managerial competence that has not yet been demonstrated to a degree sufficient to justify having the government continue to base its efforts mainly on the present kind of programs. Also, a workable system of supply management must provide the consumer with the right to participate in it, not just in an isolated, minority way but as someone involved in the real decision-making of a process that affects the price the consumer has to pay for the commodity covered. This kind of consumer involvement has not yet been adequately established.

Developments in the industrial milk situation show that in recent months the government's program for it has brought increasing prices for consumers and reduced income for producers. Also, instead of even providing stable production it has created, first, an almost unmanageable surplus, and within less than a year the prospects of a shortage, of a lack of sufficient product, to meet consumer demand. The government's supply-management efforts have created instability of supply rather than the stability its proponents have promised. If the process of supply-management is to continue and to be extended, the government must demonstrate to Canadians generally the ability of the supply management concept to work fairly and efficiently in the interest of both consumers and producers.

Canadians as consumers and as workers also want to be reassured that the anti-inflation program is operating equally fairly and effectively on the price side as the wage side. No amount of talking about the decline in the consumer price index will help persuade the Canadian consumer and the Canadian worker that the anti-inflation program is both effective and fair unless the Anti-Inflation Board also begins giving publicity to its decisions on prices equal to the publicity it gives to its decisions on wages.

The board, by stating its decisions on the prices in the form of informal advice and guidance rather than formal rulings, has been able to say that the confidentiality provisions of the act prevent it from telling consumers what it has accomplished by way of specific price rollbacks. But in my view nothing in the act stops it from stating as a formal ruling, which is something the act does allow to be published, its agreement to the compliance plans it accepts from a company found to have excess revenue—rulings which set out the price rollbacks and the names of the products in question. The board apparently is now taking the position that the act does allow it to release the names of companies found to have excess revenue, but has not yet started doing this.

The same authority, in my view, also allows the release of the names of the products in question. Consumers have a right to know the names of the products involved so they can take advantage of the price rollbacks. This is particularly so if they paid too much for these or other products of that company in the first place, thereby enabling it to build up the excess revenue in question. Arguments that to disclose this information would harm the competitive position of companies are largely nonsense. If the information on price rollbacks is made public by the board at the same point in time that the company advises its customers of the price changes and thereby puts them in effect, that company will not be harmed competitively. And even if a competitor finds out beforehand about the price cut and reduces its own price to match it, well, so what? Surely the objective of the anti-inflation program is to encourage wider and wider general reductions in price levels.

● (1640)

In any event, the public interest and the need to confirm to the public the fairness and credibility of the anti-inflation program must be an overriding consideration. Also, since the compliance plans which the board works out with manufacturers and wholesalers do not cover the ultimate retailer of the product for which price cuts are agreed to, the retailer is not compelled to pass them on. Also, the program does not apply in a mandatory way to firms with less than 500 employees. So at present the only way to help make sure that the price reductions in question are passed on to the consumer is for the consumer to know about them and, therefore, be able to demand the reduction from their retailers; in other words, to set competitive pressures in motion to make up for the gaps I have mentioned in the application of the AIB's compliance plan.

The government says in the throne speech that it wants to encourage the market system to operate actively and to operate better. For this system to operate properly, information about products and their prices must be widely available to consumers. One way for the government to show its sincerity about what it says about its new reliance on the market system is for it to compel the Anti-Inflation Board, by amendments to the law if necessary, to disclose to consumers the names of products for which the Board orders rollbacks.

Some hon. Members: Hear, hear!

Mr. Gray: Concern has, I think, justifiably been expressed about the approach of the administrator of the Anti-Inflation Act to his jurisdiction. An argument can be made that a worth-while amendment to the law is one which says the administrator cannot reduce rulings on wages appealed to him below the level set by the Anti-Inflation Board. However, whatever flaws there might be in the administrator's present jurisdiction, at least it provides a mechanism through which someone can review some of the rulings on wages made by the Anti-Inflation Board and can cut them back if he thinks they are too high. Where is a similar mechanism for prices? There is nothing available along the same lines for reviewing the board's decisions or private advice on prices.

I think there could be practical ways worked out for having a form of appeal from the board's decisions on prices, especially if all its advice to companies has to be cast in the form of rulings which can be published. There are ways of doing this, such as giving groups like the Consumers' Associations or the Canadian Labour Congress the capability to make appeals, or setting up an office of consumer ombudsman.

The recent Gallup polls indicate a paradox, such that along with a significant reduction in the cost of living there has been a growing lack of support for the anti-inflation program. It is true that the proportion of the total labour force that took part in the so-called day of protest was small—but a million Canadians were involved and that is still a lot of people. Most of the labour force may well have, quite correctly, decided to respect their contracts of employment and also that taking part in the protest was not the best way to get the government and parliament to change the anti-inflation law. However, this does not mean that they are all fully satisfied with the way they see the anti-inflation program being administered. Many of those who stayed at work may be ready to express their concern about it at the ballot-box at the first opportunity, unless in the meantime they are convinced that the program is operating fairly and evenhandedly on both wages and prices.

The government has not set out in the speech, or so far in the debate, exactly how it intends to carry out a process of consultation on new strategies for the post-controls society. However, it appears to me from the words of the speech that, unfortunately, while the government intends parliament to have a role in the process, it does not intend that role to be the central one. Surely parliament, and especially the House of Commons, must be the focal point of the consultation process on strategies and policies for the post-controls period, and I believe the best way for parliament to provide that focal point is through a special parliamentary committee on national goals. You will recall that I proposed such a committee in speeches, first in North Bay and later in this House last March. I suppose it is somewhat flattering that the Leader of the Opposition (Mr. Clark) has taken up this proposal.

However, I hope that his support for it has not weakened the government's ability to see its merits and to agree to put it into effect. Such a committee could provide a public forum for the presentation and discussion of points of view of both regional

groups and interest groups. It could be a forum of a kind not available in any other way. I hope the government will confirm its confidence in the parliamentary process by agreeing to the creation of such a committee in the near future.

This government, as is the case for every federal government, has an overriding obligation to strengthen and preserve national unity. This means efforts in the economic and social sphere. It also means confirming the ability of Canadians to deal with it in either of our two official languages. I believe in the importance and value of this policy. My belief in it was formed long before I entered the House of Commons and long before it was recognized and adopted by parliament as the official policy of the country. In my view, there is a quiet and moderate majority of Canadians which already believes—or at least which can be persuaded to agree—that the kind of Canada worth preserving is one that recognizes having both French and English as official languages as one of its greatest resources. It is a resource that helps give our country its distinctiveness. It helps our country effectively to present itself and its products to the world. It is important, as well in terms of simple justice so that Canadians, whatever their origin, can use one or the other of these two languages to communicate with their national government and their fellow Canadians.

But at the same time I think this quiet and moderate majority of Canadians expect the government to develop and apply measures to implement this policy which are both fair and reasonable and effective in terms of their costs. Therefore, to call for the application of the official languages policy in ways that are fair, reasonable and cost-effective is not the same thing as questioning the policy itself. I am glad the government has finally recognized this, as is evident from what is said on the subject in the throne speech. Steps along these lines referred to in the throne speech will, in my view, justifiably strengthen support for the federal official languages policy across this country.

I believe that there is much that is encouraging in the throne speech. While I have made some critical comments about it, they are intended to be of a constructive nature. I believe the speech, in general, is worthy of support.

To conclude, let me say that this is a time of concern for those who, like myself, want to see the government continue in office. In this connection, it may be of interest to recall part of what I said when I spoke in the debate on the throne speech which opened this parliament two years ago this month. I will not repeat those words here, but for those who, like myself, want to see the government operate in such a way that it will have the majority support of the Canadian people in the next election, the words I referred to may seem even more relevant today than they were two years ago.

We are at the mid-point of the government's mandate. It is, unfortunately, a point of decline in public support, judging by current Gallup polls and by-election results. To win back that support, the government has chosen what it calls the "middle road". The middle road for a Liberal government must not be just another term for small "c" conservative policies or a "do-nothing" policy. If there is a balancing effort between private initiative and the market system—and community support for individual needs through government effort—it must result in action of a kind that has in the past meant electoral success for Liberals.

To achieve its objectives, the government must use the remaining time at its disposal to show itself to be a government that is truly compassionate and concerned—one that is people-oriented as well as being a government that is effective and efficient. It must be a government that is, in fact and not just in appearance, truly concerned with the individual Canadians and their needs, their hopes and aspirations for a better life. There is yet time, although it is growing shorter, for the government to convince the Canadian people, through its actions, that it deserves the kind of support the Canadian people gave it in 1974.

I, for one, am continuing my efforts, as must all those on this side of the House, to have the government operate in a way that justifies its receiving that kind of support. I believe that the government, on balance, continues to be better than its alternatives. However, the throne speech by itself is only a collection of words indicating potential, indicating intention. Therefore, I say that all of us on this side of the House must confirm our commitment to translating and developing those positive policies indicated in the throne speech itself, and those not mentioned but no less needed, into meaningful action in the interests of all Canadians.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Bank Act—Possibility of amendment facilitating appointment of women as directors; the hon. member for Victoria (Mr. McKinnon)—Social security—Reciprocity of pensions between Canada and certain countries—Request for report on negotiations; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Search and rescue—Date of tabling report of task force—Request for improvement in operation of service.

● (1650)

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I begin by expressing my congratulations to the mover (Mr. Harquail) and the seconder (Mr. Lachance) of the address in reply to the Speech from the Throne, and also congratulate the hon. member for York-Simcoe (Mr. Stevens) on his excellent speech. With facts and figures I believe he exploited the government's lack of credibility and its inconsistency in addressing itself to the real and serious problems facing this nation. I also appreciated the remarks of the hon. member for Nickel Belt (Mr. Rodriguez) who as usual made a vigorous contribution to this very important debate.

I think the remarks of the three previous speakers reflect the concern of most members of this House. Many of us have trouble in believing in the sincerity of this Speech from the Throne and the working paper which set the stage for the post-controls period. If we could place any confidence in the government to do all the things it proposed in the Speech from the Throne, we might have some hope that the nation could be led out of its current social and economic dilemma. In my view, however, this sudden about-face is yet another characteristic example of this government's erratic leadership since it took office in 1968.

The 12 innocuous bills which the government placed before this chamber today for consideration proves that it is either unable or unwilling to transform the platitudes expressed in the Speech from the Throne into reality. This government has waffled and wavered; it has been inconsistent; it has been devious; it has improvised, and it has been less than frank with the Canadian people. One year it leads with its left, and the next year it leads with its right. The Prime Minister (Mr. Trudeau) has strained the good will and good nature of a vast number of Canadians. He has caused apprehension, concern and uncertainty by his pronouncements of last December, and now we are told the only hope for this country is reliance upon the free enterprise system. Just last December we were told it was not working; it was dead.

That sort of inconsistency is like a fairy tale, and that is unfortunate because running this country is a serious business. Are we really to believe that this government is genuine when it speaks of reasserting the role of the market system in a free enterprise economy, or is that merely a political gesture devised to overcome its current unpopularity? I hope Canadians will not again be hoodwinked and taken in by this ploy. Perhaps the results of last Monday's by-elections are an indication that Canadians will not be sloughed off with pious platitudes.

In my view, Mr. Speaker, the government is not worthy of regaining the kind of support that the hon. member for Windsor West (Mr. Gray) predicts. I believe it has lost the will, the capacity and the competence to govern. What was dished up to us in the Speech from the Throne and the post-controls document was an ingenuous and slick public relations pitch—perhaps more slick than we have ever witnessed in this country.

This effort to improve the image of the government has taken many forms. The Prime Minister and his cabinet have taken on a new profile of modesty and humility. We should pay attention to the jargon in the document and the way in which it has been distributed. The ministers have all stood in their places and given their respective sales pitches in an effort to merchandise this sudden turnabout.

Even the word "Liberal" is being downplayed during this debate. We have heard so much about the "middle of the road" that we are surprised they have not changed the name of the Liberal party to "the middle of the road party." This government has been swerving from shoulder to shoulder so long that it could be charged with being under the influence. The problem is, we do not know whose influence it is under, whether it is John Kenneth Galbraith, the DM-10, Keith Davey or the spirit of Mackenzie King.

The government has shelved its propensity for bigness and is committed to the philosophy that small is beautiful. It uses clichés such as "balanced growth", "quality of growth", "individual initiative" and is pledged to provide more government information. Mr. Speaker, this is the most secretive government in the history of this country, so it could hardly go any other way. Even the former minister of finance attested to that.

We have a hollow commitment to improve the lot of small business in this country, but most of us who have any experience in that field know that the actions of this government over the past eight years have done more to erode the confidence of small business than anything else. It has created a climate of uncertainty which has consistently affected the health and stability of small business, starting with the tax reform measures in 1971-72, overregulation, the way in which the Unemployment Insurance Commission has been functioning, the postal service, the impact of strikes and the competition from government programs. All these things have contributed to an unhealthy climate in the small business world, and we do not see anything in the Speech from the Throne to reverse the trend.

The public service has also been mobilized in this operation image, and this gives rise to the question of whether the government's motives are real and genuine, or illusory and deceptive. In that connection, Mr. Speaker, I should like to quote from an aricle by Stephen Duncan in the *Financial Post* of September 11. One section is entitled "Pulling out the stops", and it reads in part as follows:

> Party stalwarts outside Ottawa are thrashing over fresh policy ideas. And, as two recent events in Ottawa suggest, the civil service is being recruited and mobilized to help the politicians.

The first incident is a directive sent from Treasury Board Secretary Gordon Osbaldeston to the deputy ministers of each department, asking them to contribute to an "image . . . of a cost-conscious public service." That is part of a government strategy (Osbaldeston's letter says) aimed at maximizing "the visibility and the public's awareness of restraint in government." Included was a request for lists of government programs that had been cut, and others that had been thought up, but never even submitted to Treasury Board for approval.

The second was a meeting of about 50 civil servants called together recently by the Privy Council office and the Prime Minister's office. They were told to itemize programs that had been initiated to improve service to the public. They were also asked to prepare lists of programs that were planned and could be announced immediately. And they were told to get working on new, innovative programs that could be announced in the near future.

Some good ideas and policies may emerge from all the activity. One of the problems plaguing the Liberals for the past two years has been the lack of a steady flow of really fresh ideas.

But the implication that policy planning now seems to consist of grabbing for new ideas almost at the last moment is unsettling. One well-placed civil servant terms the exercise "government by gesture".

His view (and it is a common one in Ottawa in the days leading up to the new session of parliament) is that the government, strung by unpopularity, will react with gesture rather than substance in the months ahead. The focus, that is, is on the image.

● (1700)

That summarizes the spirit in which documents were produced to this House this week. If the contents of this article are true, we must question the propriety of senior civil servants engaging in such partisan activities. Obviously if we are to be governed by gesture, by an administration concerned only with the short-term political interest, by a group concerned with grooming rather than governing, concerned with its image rather than with the real concerns of Canadians, there will be no joy for anyone.

I turn, briefly, to another area of concern to Canadians. I submit that Canadians have lost confidence in the financial control and management exercised by the Government of Canada with respect to its departments and agencies. I note with dismay that neither the Speech from the Throne nor the President of the Treasury Board (Mr. Andras) provide much hope for significant improvement in this area. One would think that considering the government's desire to be all things to all people, it would place high priority on this important area of our parliamentary democracy.

Surely the restoration of confidence in our system, the restoration of people's belief that taxpayers' money is being wisely and prudently administered, is at the core of the very foundation on which responsible government can continue to exist. It is true that we have seen a commitment regarding the introduction of a new Auditor General's Act, but before we become over-zealous about it we must see precisely what the objectives of the bill are and if the recommendations of the Wilson report will be followed. For example, will the legislation define the right to report on expenditures when value for money has not been obtained? Will it include the provision for the appointment of an accounting officer with respect to each appropriation? Who will be given responsibility for accounting in a proper manner, and for properly administering funds voted under an appropriation? At present not only do senior levels of the public service administer policy; they play an increasing role in the formulation of policy. In short, we want to know how many of the 47 recommendations will be included in the legislation? How many other recommendations previously advanced will be incorporated in it?

People's concern over the mismanagement of the country's finances has not grown up over night. It has grown at a dramatic rate since 1968, at a rate commensurate with the government's deliberate actions to reduce the effectiveness of members of parliament, its propensity for secrecy, its distortion of the rules, and its attempt to downgrade the role and effectiveness of the Auditor General. It is little wonder thoughtful Canadians have become deeply concerned. They are especially concerned about the dramatic increase in government spending, particularly at the federal and provincial levels, spending which takes up over 42 per cent of the Gross National Product. In the United Kingdom that figure now approaches 60 per cent.

In the July issue of the *Parliamentarian,* Right Hon. Edward du Cann, chairman of the Select Committee on Public Accounts in the U.K., wrote—I quote from page 153:

It is not necessary, I hope, to argue the need for control. Government expenditure is, I believe, the largest single inflationary influence in the United Kingdom . . .

I am in no doubt that firm control should be established, and by members of parliament in general . . .

Canadians are concerned that parliament has lost control over the handling of the nation's finances, that it cannot scrutinize as well as it should government expenditures, and that we are being governed by order in council. Above all, people are concerned because the state of the financial management, and control systems of government, its departments and agencies, is significantly below acceptable standards, quality and effectiveness. We obviously all have legitimate reason for concern, Mr. Speaker.

In a minute I shall quote from the proceedings of Public Accounts Committee, issue No. 52, dated March 30, 1976. Before doing so I wish to pay tribute to the outgoing chairman of the public accounts committee, and committee members, who have effectively examined government control and management systems in this country. Unfortunately the public and press have not given them the recognition they deserve. I think the House ought to commend them for the work they have done.

Some hon. Members: Hear, hear!

Mr. Mazankowski: I shall now quote the words of the Auditor General, Mr. J. J. Macdonell, as recorded at page 52:22 of the committee proceedings. He said in part:

I must apologize that some of this is fairly technical, but we feel very strongly about the fact that unless the systems are corrected the day may well come when I really cannot give a clear certificate on the accounts of Canada. I hope it does not come.

Mr. P. Lafferty, of the Auditor General's office, told the committee about lack of control. As recorded at page 52:18 he said in part:

. . . I would like to point out two concepts of control which are not being observed in the departments. The first is the segregation of duties and there is a

fundamental principle, that an auditing student learns within his first week, that you segregate duties down into the clerical level. The broad concept is that there should be careful segregation of duties so that, without unnecessary duplication of effort, one staff member, one element of a system, maintains an effective independent control upon the integrity and accuracy of another. It is this fundamental concept of one clerk, or one element of a system, balancing with another that does not exist in most of the cycles.

I list here the words: It does not exist in the expenditure cycle at two levels.

It does not exist at the clerical level, where there is a lot of repetitive checking . . .

It also does not exist in the signing of documents. Cheque requisitions, in many departments, are signed by one official who has, virtually, an unlimited spending authority, to spend the money and approve his own requisitions and this directly contravenes Treasury Board policy.

At page 52:20 Mr. Lafferty is reported as having read the following words from the Auditor General's report:

These fundamental weaknesses result in incomplete or inaccurate financial information and in inadequate protection against fraud and error.

At page 52:11 Mr. Macdonell, the Auditor General, is reported to have said:

What worries me quite a bit is the fact that if there is fraud occurring there is really not much evidence of important ways by which it can be detected. To me, this is the major weakness.

As recorded at page 52:6, Mr. D. L. Meyers talked about financial controls and audit mechanisms. He said in part:

● (1710)

The chapters on financial control and internal audit deal with control problems within the accounting system. The problem here is not one of knowing what should be done, or agreeing to it. Indeed, the principles have been applied for many years in large organizations, both public and private, and are enunciated in the Treasury Board Guide on Financial Administration. It is more a question of failing to recognize the significance and the need for adequate internal control, and giving it the priority required at the department level.

An example of this is the photocopy of a cheque which I have attached to these notes. Please note that this cheque is blank as to the amount and the payee, but has already been signed—in this case, to improve operating efficiency. The rule here is simple, and to the best of my knowledge not disputed: blank cheques should not be signed. Yet I was personally able to obtain this example after my first day of reviewing controls in a cheque-issue branch responsible for the preparation of 2,000,000 cheques per month.

He goes on to say:

Departments clearly break the fundamentals of internal control: in segregation of duties, accounting control, effective supervision, and internal audit. In the context of a lack of effective budgetary control and management reporting, this not only leaves a strong possibility of error but also invites fraud, with little possibility that either would be uncovered.

What more glaring examples of waste, incompetence, and weak financial management could we have illustrated? There are many examples of non-compliance with the Financial Administration Act. Anyone who reads the report of the public accounts committee will find examples of waste, weak financial administration, and failure to comply with Section 26 of the Financial Administration Act. For example, and I quote:

For the fiscal year 1974-75 nearly $1 million was spent by the Government of Canada for unused Crown-owned or leased accommodation. At the end of the same year approximately $3.8 million was expended on a new pay system which had to be suspended because it was deemed unworkable.

It later states:

Your committee, however, was most concerned with the action taken by the National Energy Board during the 1974-75 fiscal year. The funds appropriated for its operations by Vote 50 had been exhausted before the fiscal year end, and instead of attempting to obtain additional funds through supplementary estimates, the National Energy Board arranged to have $90,000 of its operating costs charged to the operations of the Energy Supplies Allocation Board. Furthermore, no subsequent attempt was made by the officials of either Board to correct this arrangement.

Having received evidence from all parties concerned, your committee has concluded that the action taken by the National Energy Board clearly contravened Section 19 and subsections (1) and (3)(a) of Section 26 of the Financial Administration Act and was illegal. Your committee strongly disapproves of the arrangement of funds made by this Board and recommends that disciplinary action be taken immediately by the minister.

As I said, this did not happen overnight. The government has whittled and chipped away at the parliamentary system. It has scuttled the effectiveness of the Auditor General. It has impaired the ability of parliamentarians to scrutinize effectively, analyse, and challenge government expenditures based on a philosophy of easy come, easy go simply pass the mistakes on to the taxpayer. However, I and many other taxpayers are getting fed up with the government's incompetence and maladministration.

I want to turn briefly to an area of the Speech from the Throne which I find rather fuzzy. It has to do with the review of our government's spending programs and the possible transfer from the public sector to the private sector. The review procedure is not clear. The criterion is not established. We in this party feel that this is yet another opportunity to engage the services of more consultants as a result of the review, and probably more consultants following the recommendations stemming from this review.

We would like to see an independent review agency which would appraise and evaluate government programs on a continuing basis as to their efficiency and effectiveness. The agency should be independent. It should have the power to initiate an evaluation on its own. The results, and indeed the recommendations, would be made public. Such an agency would have the authority and expertise to examine fully the effectiveness of ongoing government programs, their efficiency, and indeed have the power to recommend changes in the structure of any major government undertaking. Such a mechanism is certainly not unrealistic given the fact we are now spending well in excess of $40 billion annually. It could serve as an effective check.

This party would also like to see a review of our existing Crown corporations, some 60 in number. This party is committed to that. I am surprised that the government, with its new middle-of-the-road philosophy, did not propose that. Some studies on this have been done by important people. Doctor Alan Blair, an associate professor at Carleton University, engaged in a study and evaluation of 11 Crown corporations. During the course of his evaluation he found conclusive evidence that over half of them could be disbanded without any detriment or loss to the public interest.

We feel there is room for an evaluation of our 60 Crown corporations. Some were established with a specific purpose in mind many years ago. That specific purpose has now passed. In the interim, there must be more effective measures to scrutinize the operations and control of Crown corporations.

Crown corporations are not accountable to parliament in the way they should be. For example, Air Canada has not been before a committee of this House since 1973. Surely with a major Crown corporation of that size it should be mandatory that it appear before an appropriate standing committee of parliament once a year to review its operations and annual report. This government does not believe in the function and real role of parliament.

In conclusion, parliamentary authority and control must be restored if the institution of parliament, and indeed politicians are to regain the confidence of the Canadian people. Now is the time when parliament should be strong. Canadians suffer from failing hopes. They are deeply concerned about the future and generally have a lack of confidence in those who are in charge of Canada's destiny.

We have many problems, social and economic. We have problems of national unity. There is cynicism, there is mistrust, there is apprehension, and there is irritation in this country. One basic and fundamental way of meeting these serious challenges is to restore and reinstate the supremacy of parliament.

I sincerely regret that the initiatives proposed in the Speech from the Throne are less than satisfactory. They are initiatives of gesture rather than substance.

Some hon. Members: Hear, hear!

Mr. Peter Stollery (Spadina): Mr. Speaker, I first want to congratulate the mover and seconder of the Address in Reply. Having performed that task, I know how difficult it can be. I also want to congratulate the new ministers and wish them well in their portfolios.

The Speech from the Throne provides an excellent opportunity for members to speak on subjects that are of concern to them and their constituents. This tradition is one of the best in the House of Commons. Any of us can get up during these few days and get things on the record that we would like to have put on the record.

● (1720)

I should like to take my few minutes to direct attention to the indication in the Speech from the Throne that there will be amendments to the Immigration Act during the present session of parliament. The new minister—and I wish him well in that difficult portfolio—indicated the other day that we could expect a new act during this session.

Generous immigration policies have been good for Canada. But for the last several years in reaction to what was possibly—and I use that word with a question mark—an overly-generous system between 1969 and 1972 we have over-reacted and made immigration too tough and too difficult. I believe we are doing this to our detriment and to our loss. I want to take this opportunity to make that opinion very clear.

I was a member, and a pretty regular member, of the special joint committee on immigration policy which produced the report with the orange cover. It was an exhaustive study. We heard hundreds of witnesses, I guess, and the committee produced 178 paragraphs of recommendations about what the government might incorporate in its new immigration policy, which presumably will be presented to parliament in the coming session. It was a good report. Who can argue when members of the committee suggest we should reform the provisions governing the prohibited classes? Who can argue against many of the reforms suggested by the committee in a variety of ways? As I look through the headings I see "Mental Retardation", "Mental Illness", "Epilepsy", "Contagious Diseases" and "Moral Turpitude."

Of course we have to reform those parts of our immigration policy which are obviously outdated and out of touch with reality in 1976. But in our approach to this question there have been errors. We have fallen for the statistical approach. I recall that during all this debate we have been talking about population and population growth. I, personally, do not believe in scientific government. I never did. Scientific government did not build this country—bloodless, scientific government administered by bureaucrats.

Some hon. Members: Hear, hear!

Mr. Stollery: We completely abdicate in this approach to human issues the tradition and history that built this country. It is not often a member has the opportunity to quote himself, but I was looking recently through the debate on Bill C-58. I spoke in that debate. I was describing the Canada that I know, and I said at that time:

> Surely in the House of Commons of Canada I should not have to emphasize our unique Canadian experience—two founding peoples pioneering a country on the very edge of the habitable world, in spite of snow and ice and everything possible against us, and succeeding in establishing Canada. Canada is a remarkable country because it should not ever have existed.

We exist in spite of the trials our forefathers went through when they came to this country, and they did not do it by scientific government. Yet people tell us, "This group will go here, another group will go there, and this is what the population will be," and so on. I find this whole approach which we seem to be following in the area of immigration, baffling.

Goodness, will any member of that committee forget the charts with which we were presented illustrating the dire consequences ahead of us in the year 2,000, the predictions as to what the birth rate might be? I recall similar predictions 20 years ago concerning the province of Quebec. I remember it being said in Toronto that Quebec was a francophone province, that New Brunswick was a francophone province and that, bearing in mind the birth rate in Quebec, it would not be long before there would be a third. Today we all know that Quebec has the lowest birth rate in Canada, something which presents a big problem both for Quebec and for the rest of Canada.

All this was conveniently forgotten when officials of the department presented us with all those statistics in favour of having a new act and restricting immigration. They implied that if we did not have this new act we would have no control over policy. Meanwhile those of us who follow immigration

matters find that the departmental officials have managed to cut immigration under the existing act by some 25 per cent by using regulations which never come before the House of Commons—I do not know whether they even go before cabinet.

I was looking through some of the quarterly statistics a while ago. One set of figures which immediately struck me referred to immigration from Portugal—4,370 immigrants were admitted in the first quarter of 1974. Remember, this was the year when they said we would drown with immigrants if we did not do something. Well, we did not do very much in the House of Commons but they managed to do something in the immigration department because the number admitted in the same quarter of 1976 was 1,272. All in all, immigration from Europe was cut from 20,205 to 12,616, practically in half, through the use of regulations which none of us ever got to see or which, at best, we saw only after they had been approved.

This is an important subject because this country is finding itself today in a crisis. We all know there is a crisis over bilingualism. We all know, if we are honest, and I know members opposite know the same thing, that there are many people in this country who are asking themselves if it is worth while making this country work, and if those people are successful we need not bother having a House of Commons because we won't be coming here. And we were elected to make this country work.

● (1730)

I think that areas like immigration are part and parcel of a seige mentality that has overcome Canadians. Some Canadians are saying that the barriers should be raised, and in raising the barriers we must remember that in areas like immigration we are dealing, after all, with an interchange of people and ideas. The same barriers must also go up in the area of bilingualism. We must remember the two things are part and parcel of the same issue.

A bilingual Canada cannot exist in a vaccum; immigration policy must be an essential part. If we start to restrict immigration, to say that for various scientific reasons we are restricting entry, we will have to take the consequences. Let me tell this House that at no time in my life have I seen our chickens coming home to roost the way they have been coming home during the last few months. Never before do I remember responsible Canadians asking themselves whether Canada is going to survive. I think that is a pretty fundamental question for this House of Commons, and if we do not face the issue we are making a very serious mistake.

Just to emphasize to what point we have come in this country, the kind of person who came here in a spirit of adventure and initiative, who came to find opportunities in Canada, cannot come any more. No longer can a young man or woman of 21 years of age set off for Canada, not knowing exactly what they want to do or what the future may hold for them. They can no longer work in Canada or work their way across the country. That is a thing of the past.

I was born in this country, Mr. Speaker, but I am sure many of us have spent a lot of our youth travelling around the country. This cannot be done any more because there is no work. Immigrants have no status, they cannot get a work permit. We have effectively put a stop to the enterprise of people; we have told them that they cannot come to Canada any more and I think this is a very serious mistake.

If the government is proposing to present a new immigration act, let me say at this point that I am not certain that we need a new act since we can cut immigration back 25 per cent under existing regulations. I see my time is running out, Mr. Speaker, but as a member of this House who has great admiration for his colleagues on all sides, may I say that under the present policy I would not be able to come to Canada myself. I feel that there is something fundamentally wrong.

Mr. Friesen: On a point of order, Mr. Speaker, I wonder whether the hon. member for Spadina (Mr. Stollery) would entertain a question.

Mr. Deputy Speaker: That can only be done with the hon. member's consent. Would the hon. member allow a question?

Mr. Stollery: Certainly.

Mr. Friesen: I served on the special committee with the hon. member for Spadina, and together we drew up a report that was tabled in the House. His remarks today sound strangely different from what he said in committee and I am wondering whether he has changed his view about immigration into Canada from what he said in committee about the volume of immigrants coming to this country.

Mr. Stollery: I wish the hon. member for Surrey-White Rock (Mr. Friesen) would refresh his memory, because if he did he would remember, first of all, that the meetings in which this matter was discussed were supposedly *in camera*, and I did not think that they should be mentioned in the House of Commons; secondly, I was one of the members who signed the minority report of the committee, and I think that speaks for itself.

Mr. O'Connell: On a point of order, Mr. Speaker, reference has been made to a minority report of the special parliamentary committee. I think correctly we ought to agree that there were dissenting views, but I do not think it is possible to present a minority report to this House and there was not one. I just clarify that for the purpose of the record.

Mr. Stollery: On the same point of order, the hon. member for Surrey-White Rock made the statement that I agreed with something. As the hon. member for Scarborough East (Mr. O'Connell) has pointed out, I did not completely agree and I signed what was in effect a statement, with some other members of the joint Senate and House of Commons committee on immigration.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to commence my fairly short remarks with a compliment to those who moved and seconded the Address in Reply to this latest Speech from the Throne on the way they discharged their responsibility.

I have been reading various Speeches from the Throne since I came to this Chamber and I must say that this latest one struck a different note. I noticed, or seemed to notice as I reflected upon it, a strange lack of enthusiasm for this Speech from the Throne in its reception. This was noticeable in the galleries and it was noticeable among the public generally. I would say that the country at large has demonstrated about as much enthusiasm for this latest Speech from the Throne as the turkey does for Thanksgiving. I think there is a reason for this, Mr. Speaker.

As a comparatively junior member I have been struck by the fact that there is something that distinguishes this latest Speech from the Throne from most of the others, and it is that very little concrete mention is made of what the government plans to do. I was interested to see the list of bills which the House leader presented. I know that other speakers have made reference to this as well, but I cannot help but mention that the first bill in the list of bills to be dealt with was that tremendously vital and important item, the Historic Sites and Monuments Act.

I think the government must have in mind erecting a couple of monuments on a particularly memorable site, perhaps the site where the Prime Minister (Mr. Trudeau) stood when he told us that he had wrestled inflation to the ground. That year the Prime Minister did about as well in the battle against inflation as General Custer did at the battle of Little Big Horn—in fact perhaps not as well. Or perhaps the government is going to erect a monument at the place where the Prime Minister stood when he came back from his meeting with President Nixon and said he had made a tremendous breakthrough with the United States. Judging from the state of current U.S.-Canadian relations I think he was rather optimistic in describing it as a tremendous breakthrough at that time.

I should like to confine my remarks fairly specifically to the subject of freedom of information and to urge the government to consider seriously some initiatives in this regard. Before getting to the main matters I want to talk about in this respect, let me say that as a member of parliament from Atlantic Canada I find that there is a strange lack of priority given to DREE, the Department of Regional Economic Expansion, which is very disturbing particularly in view of the critical situation that has developed in Atlantic Canada as a result of the government's failure to provide proper economic leadership and a national energy policy. This situation has exacerbated the economic difficulties which DREE was originally conceived to combat.

Of course I am bound to say in all honesty that under this government in recent years the whole country has become economically disadvantaged, and perhaps it is not fair for us to expect too much in the Atlantic area. Nevertheless the fact remains, as those of us who come from Atlantic Canada know, that we are facing a terribly delicate situation. We need assistance from the federal government on a temporary basis, as well as some long-term guidance, so that we can begin to create a national power grid or some kind of power pool involving some of the provinces adjacent to us which have greater power resources. This could have been done a long time ago.

[Mr. Stollery.]

● (1740)

We would also have expected and would have liked to have seen some indication in this Speech from the Throne that the government recognizes the need to give special priority to the Department of Fisheries, give it as it used to have, status in its own right. Instead, where we once had a separate department for fishing and, one for forestry, we now have no forestry department at all, although this is one of Canada's most important resources, and we still have the Department of Fisheries effectively merged or submerged in the greater Department of the Environment.

We also note in Atlantic Canada, where unemployment is very high, that the government is considering re-uniting the Departments of Manpower and Unemployment Insurance—I gather in the same arrangement that existed in past years when we had the National Employment Service. I think on balance that is probably a constructive thing to do, but one has to reflect upon the many millions of dollars in administrative costs, and the wasted effort that has been the end product of this very poorly conceived experiment of starting a separate entity called Manpower divorced from the UIC. It did not work, and probably will not work unless there are further modifications made, because employers for the most part do not use the services of Manpower because, for various reasons, it has not been effectively co-ordinating the resources and needs of the private sector and the services it was designed to provide.

There is another matter which concerns me very much which I should like to mention before I move into the freedom of information part of my speech, and that is the sorry state of transportation. I have quoted the following before in the House and I think it bears quoting again. I will go back to 1972 at page 808 of *Hansard* for the date of March 14 when the then minister, now the Secretary of State for External Affairs (Mr. Jamieson), said at that time that he agreed with those of us on this side of the House who said:

> —that a reorganized structure is necessary in order that members and the country generally can obtain more information, and obtain it more easily, about all aspects of transportation. With this objective in mind, I propose to bring before the House in the next session three important pieces of legislation on which work is proceeding at the present time. The first of those is a bill designed to reconstitute Air Canada as a separate Crown corporation, thus divorcing it, as it were, from the CNR. I will also introduce a Canadian National Railways revision act and a companion piece of legislation covering amendments to the Railway Act. Hon. members will know how involved and far reaching these changes are; they have been asking for them for the last two or three years.

That takes us back to at least 1970. The minister went on to say:

> These changes have entailed a great deal of work, which is still proceeding. I believe, however, that these bills are essential and I will bring them forward as soon as they are ready.

That is a good many years ago and we can only presume that, in the interim, despite the very excellent Estey report of last year which dealt with this very subject of divorcing Air Canada from the CNR or well as other things not much progress has been made by this self-proclaimed dynamic government since 1972 on what would appear to be a fairly straightforward, non-partisan piece of legislation.

That is not the worst of it. The present Minister of Transport (Mr. Lang) appeared before the Committee on Transport and Communications, and he promised on April 6 of this year a new national transportation act, a new ports policy, and a re-examination of the St. Lawrence Seaway.

Then we have to remember that, a year previously, his predecessor announced that a regional third air policy would be coming soon. The only reference to transportation in this present throne speech mentions that there are to be changes introduced to the National Transportation Act to protect against unfair freight rates.

An hon. Member: What's wrong with that?

Mr. MacKay: There is nothing wrong with it, I want to say to my friend opposite, but it is too bad the government would not give us a little bit of action and less verbiage. They are all swank and no knickers.

Let me now move to the topic of freedom of information. In our highly developed and technical society information, or rather its possession, has become a tremendous source of power, if not the prime one. At the turn of the century Max Weber asserted that the source of bureaucratic power was the "knowledge of files". That is even truer today than it was in his time. Modern governments are really hugh information processing machines. As the importance of information grows so does the need to make it available to the public.

If opposition members of parliament, indeed all members of this House, are to criticize constructively and realize what is going on in this most important of all institutions, and if journalists are to report accurately the facts, and if ordinary citizens are going to make effective use of their right to express themselves freely, then it is absolutely essential that they be given free access to all government information, with the exception of matters involving national security and individuals' personal records.

The parliament of this country should immediately consider and pass legislation that embodies the following principles: government information is gathered and compiled utilizing public funds, therefore it belongs to the public; the government must prove that it is not in the public interest to divulge certain types of information to the public rather than the public having to prove that they have the right to the information; up-to-date indexes of all the various government reports and studies should be readily available in public libraries and in federal buildings, to a much greater extent than is now the case; the government should be required to provide the requested information within a stipulated period of time; and a person or group who is denied information should have the right to apply to an impartial tribunal.

I want to mention a couple of incidents, perhaps three, that I think should be brought forward in the context of these remarks. Kenzie MacKinnon, a Nova Scotian law student, spent the summer working with Ralph Nader's consumer affairs centre studying the working of the U.S. freedom of information act. Apparently a CBC television program requested access to government inspection reports on Canadian meat plants. The Minister of Agriculture (Mr. Whelan) felt that this report was too technical in nature, and he went on to say it was such and would be prone to misinterpretation by parties not familiar with individual plants or the nature of the procedure carried out. He said this could result in a firm being subjected to unjustified commercial pressures in the public arena.

Since all Canadian meat plants that export to the United States must be cleared by U.S. inspectors, Mr. MacKinnon applied to the United States Department of Agriculture for the information. Under the U.S. freedom of information act he got the information for no charge, after a ten days' maximum waiting period. Mr. MacKinnon quotes the report as making the following statements:

> The trolleys and chain suspending apparatus for beef carcasses were not being cleaned, and exhibited rust and grease.

Then he says the tunnel through which beef and pig carcases were being moved "was not maintained in a sanitary manner". Later he states:

> Fixed objects of wood that were improperly cleaned were contacting product surfaces. Overheads were deteriorating and some overhead structures exhibited evidence of rust, corrosion and excessive grease.

If we had a proper freedom of information law in Canada perhaps the Minister of Agriculture might have been encouraged to improve the sanitary conditions of our meat plants instead of acting as a public relations man for the meat packing industry.

I want to deal next with the Walter Rudnicki case. In September, 1973, as this House knows, the then Minister of Urban Affairs, and the president at that time of CMHC, Mr. Teron, and other CMHC officials, met native leaders to hear a brief on the needs for a Métis housing policy. Mr. Rudnicki set up an ad hoc group to prepare policy proposals. Mr. Rudnicki distributed policy papers at meetings with officials of the native council in order to get some feedback and because the minister and Mr. Teron had agreed to keep in close and continuous consultation with them. Apparently when the minister found out that policy proposals had been shown to the native people before he had seen them he hit the roof. He told Mr. Teron that either he had to go or Mr. Rudnicki had to go. Mr. Rudnicki was dismissed for violating his oath of secrecy regarding Cabinet documents. Mr. Rudnicki's secretary was also hounded out of the civil service.

Mr. Rudnicki sued in court for wrongful dismissal. He won his case and won $18,000 in compensation. The judge did not accept Mr. Teron's version of the events, which is a pretty polite way of saying he considered him less than honest. Judge O'Driscoll, who heard the case, referred to Mr. Teron's definition of what constituted a Cabinet document as "absolutely

astounding". There were indications that the disclosure of documents was used as a pretext to get rid of Mr. Rudnicki who was too innovative an activist for the CMHC.

There is a third case that concerns me, and this is something I have referred to before in this House. It involves a couple of RCMP staff sergeants who, in my opinion, were dealt with in a very, very unfair manner.

An hon. Member: Shoddy.

Mr. MacKay: Yes, shoddy is a good word. There has been much opportunity for the government either to have justified their dismissal or to have made some sort of reparations to them. They were hardly run of the mill officers. They were both outstanding police officers, Mr. Don McCleary and Mr. Giles Brunet. I have had the opportunity to look at many documents involved in this case. One thing I found most outrageous was the memorandum from the officer in charge of the legal branch, Inspector D. K. Wilson. It deals with the subject of Sergeant Giles Brunet.

● (1750)

First may I set the stage by saying that when these men tried to protect themselves against what they considered a lack of natural justice, and when they attempted to get any kind of a hearing and were unsuccessful, they had a counsel, Mr. Arthur Campeau of the Ogilvy Cope firm in Montreal, I believe a very outstanding lawyer, contact the Solicitor General. Correspondence was exchanged, and so on.

Then we come to something I find very incredible. I refer to the memorandum from the man about whom I spoke previously, Inspector D. K. Wilson. I am very concerned about the tone and the Alice-in-Wonderland quality of it.

One line of this memorandum on page 7, which is dated December 3, 1973, states:

> It is not surprising either that there is at least the allegation, if not the fact, of influence peddling between the lawyer and the Solicitor General.

That, to me, is an incredible thing to have been said by a responsible man high up in the RCMP. If any member wants to see the entire memorandum I will be glad to make it available to him. It is difficult to believe that a man that high up in the RCMP would accuse his minister of influence peddling because this minister was courteous and understanding enough to listen to representations from a very eminent legal counsel who intervened on behalf of these two fine RCMP officers. That, to me, is an indication of a very sick attitude. I want to bring it out again at this time in the House of Commons.

I suggest it is obvious to just about everyone in the country that a freedom of information law is needed. It goes almost without saying. It is as true today as when the hon. member for Peace River (Mr. Baldwin) first brought it up. Incidentally, the hon. member for Peace River told me that he had discussed this very subject with the members of the current Russian delegation visiting Canada, and he was told that the situation is about the same there as it is here.

[Mr. MacKay.]

The government is taking only baby steps toward this objective. Members of the government are dragging it out as much as they can. The throne speech tells us that the government intends to present a policy paper to the standing committee. The issue has been discussed, re-discussed, and discussed again. Now is the time for good legislation. I am very surprised that the present government has not jumped on this idea. This is not a party that is known to nurture along an idea, to fight battles for it. They leave this to the opposition parties. But the Liberal Party has the great ability to grab upon an idea when the time has come, and claim it for its own. There is no doubt about that. In fact after listening to the well paid public relations men of the government, it seems that members of the government are able to convince themselves that they originated the idea, fought the battles, and led the troops to victory themselves.

With the exception of the former finance minister, John Turner, who unknown to us all, until he left, had fire in the belly over this issue for years, the Liberals have not responded in their usual manner. They have not jumped upon the issue. Does this mean they have lost their touch, one more example of the downhill slide? This may be partially true, but I suggest there may be other reasons.

It has been proven that secrecy is fundamental to this government, that it is an essential part of its nature, perhaps even its true nature. This does not mean that the government is not willing to generate information. It is more than willing. In fact since 1972 the number of information officers has increased from 570 to over 1,000. The government in engaged in producing public relations pap, making reports two of three times longer than they should be, or glossing over a lack of substance with sheer weight of words.

It is not unrelated that, as a government becomes more secretive and hides more real information, it will turn out more false information, misinformation, or non-news. One reason I suggest the government ought to reassess its policy is that everything can be explained to the people on the single condition that you truly want them to understand. Lately the government has not shown that it really does want them to understand. One reason why the government will not be more open is that there is a feeling that the public is not competent to judge its behaviour. We have seen that indicated very clearly in the government's handling of the wage and price controls program.

The government has managed to alienate both business and labour. When these groups justifiably criticized the incompetency of the administration and the unfairness of the application of the regulations, did the government consider the possibility that there may be serious faults in the program? Of course not. The Prime Minister has told us that the Canadian public did not understand the program, and so he decided to spend a million or so of their tax dollars to innundate Canadians with snappy little ads telling them the error of their ways. That is his philosophy. If the government had any respect for the Canadian public it would quit wasting its money and come up with substantive changes in the program.

The other reason why the government will not move forward in respect of a freedom of information law of course, as has been demonstrated, is that there are things the government does not want to disclose. I want to point out at this time that the business of obscuring language is a mask beyond which stands out the much greater business of plunder. As time goes by we must watch very carefully that the special interest groups close to the government do not profit excessively by this relationship. That is another reason why we must have more freedom of information.

I suggest that, if all the facts were before this parliament, some of these gigantic projects that are making news, with allegations of hundreds of millions of dollars being spent unwisely at a time of restraint, might never have gotten off the ground in the first place, and we would all have benefited.

In one of his essays Montaigne relates the answer that a worthy Roman gentleman gave to the builders who offered for 3,000 crowns to alter his mansion so that his neighbours could not overlook him, as they then did. "I will give you 6,000", he said, "if you will make it possible to see into it from every side". It is as characteristic of this government to build a mansion into which no one can see, as it was of the above gentleman to has his conduct open to the public.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock I now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, in this my first address as the new Minister of Manpower and Immigration I want to pay a particular tribute to my predecessor, now President of the Treasury Board (Mr. Andras).

Some hon. Members: Hear, hear!

Mr. Cullen: Although I have had an all too brief acquaintance with this new department, I have come to realize the very heavy burden placed upon the minister in this department.

When one realizes that my predecessor held this portfolio for four years and that he did so in such a competent and capable fashion, one knows that this represents a significant contribution to the service of the people of Canada. I do not know how many of us can appreciate the countless hours of time and effort that had to go into the development of a new immigration policy and legislation, and I wonder if any of us can appreciate the tremendous amount of time required to consider the direction in which the department should go, the changes that should be made to the Unemployment Insurance Act, and the new employment strategies directed to helping unemployed Canadians. Couple this with the minister's responsibilities as a member of parliament for a very busy and active riding, his regular duties as a member of the cabinet, and the day to day problems that are bound to arise when one is dealing with unemployment insurance and immigration, and one can appreciate the heavy workload that the minister carries. Partisanship aside, I think all members in the House appreciate the contribution made by my predecessor. He has handed me a very difficult act to follow.

It is appropriate for me in this debate to comment on the very high calibre of the mover and seconder of the Address in Reply. As one who was given this honour a few years ago, I know the sense of responsibility that one feels when called upon by the Prime Minister (Mr. Trudeau) to move and second the Address in Reply. I may say that the calibre of the speeches is definitely on the rise.

The government's key priorities have been outlined in the throne speech. One priority is the new immigration legislation. This is the product of more than three years of intensive work by my department, a major consultative process, of an invaluable study by a special joint committee of parliament composed of members of the House of Commons and the Senate. The bill that I shall shortly present to parliament will spell out the fundamental objectives designed to shape a forward looking immigration policy for this country. It will eliminate the outdated provisions of nearly a quarter of a century, and establish a solid foundation for a policy geared to the needs of all parts of Canada and able to rise to contemporary challenges, both domestic and international.

Another key priority will be the amendments to the unemployment insurance legislation. These will merge the commission and the Department of Manpower and Immigration into the new commission and department of employment and immigration.

Amendments will also allow us to take a more positive approach to unemployment problems through resource allocation. As the House knows, these amendments will change the five phase benefit structure to a simpler three phase structure, will set the minimum entrance requirements at 12 weeks, and will permit experimentation with the use of unemployment insurance funds for programs of training, worksharing, and job creation.

● (2010)

The changes to the Unemployment Insurance Act will result in a government saving of about $110 million next fiscal year. I am only referring to the government's saving on this aspect, not that of the employee and employer. The purpose of the amendments is not to save money; it is to let us and the unemployed utilize some of the funds now required for income maintenance to held provide jobs, incomes, and training. We are convinced that the income that goes with the dignity of work is preferable to the income that arrives in the form of an unemployment insurance cheque.

[*Translation*]

Mr. Speaker, there is no other priority more important than helping Canadians find a job. Today, our remarks will concern a new employment strategy aimed at creating what the

Canadian unemployed wish and require: the dignity and the personal satisfaction given by a real job as well as a higher income than unemployment insurance. Today, the main difficulty is to increase regularly the number of jobs in the private sector. But in the next four years, the number of jobs could not increase too rapidly in relation with the number of Canadians seeking employment. Furthermore, we know that at the beginning of the 1980's, when the flow of young people seeking employment will have decreased, we could be in a different situation, that is we could have a shortage of manpower rather than a lack of job opportunities.

[*English*]

We must therefore look toward a strategy that will help to fill the employment gap over the next several years. It must be a strategy compatible with the restraint of expenditures, moderation in the increase of the money supply, and the avoidance of massive inflation-stimulating deficits. It must not be a strategy of major monetary or fiscal stimulation, vast programs of public construction or public service expansion, or major tax cuts; these would be incompatible with our need to reduce inflationary forces and to remove wage and price controls. Our basic aim is to reduce unemployment progressively over the next five years, without generating yet other problems.

It is my purpose today, Mr. Speaker, to outline the essential elements of a strategy that meets those basic criteria. The strategy is based on two fundamental premises: first, that the vast majority of Canadians need and want work and that there is work to be done, and second, that although income maintenance is essential for Canadians who want to work and cannot find jobs, our present substantial expenditures on income maintenance can be made more productive.

Our currently high unemployment rate is due to several factors such as regional differences, the particular problems of young workers, lack of skills, weak markets; employment disadvantages, and seasonality. Some unemployment is due to behavioural factors, but the problem facing most people is a simple lack of jobs or the skills to fill the jobs that open up.

There is no single cause underlying our unemployment rate and there is no single solution. But selective solutions must be pulled together into a single strategy. Our employment strategy alone will not cure unemployment. What it will do is to help keep unemployment down, and allow us to reduce unemployment progressively over the next few years in a way consistent with the removal of wage and price controls.

There are three broad thrusts within the strategy itself. The first is a comprehensive job creation program squarely based on community priorities; the second consists of youth employment and employability measures, to ease the transition from school to work for the young people who make up half the unemployed; and the third is a group of selective presentive measures to reduce the loss of work and hasten a return to employment.

The strategic approach that we are taking relies on a variety of programs being effective. Individual programs in the strategy will necessarily be changeable and flexible from year to year; the program mix appropriate for 1977 may not be the best mix for the circumstances of 1979 or 1980.

The essence of the strategy is to get public work done and public benefits produced by people whose energies and talents are temporarily surplus to private sector needs.

We all recognize that a permanent private sector job is what Canadians most want, and that we must help them find it. But we must also recognize that when private sector jobs do not exist in sufficient numbers we have an obligation, both to the unemployed themselves and to the Canadian community, to make sure that people can have work and the incomes that go with work. From the point of view of both society and the individual concerned, work is far better than just giving people a cheque. The cost of unemployment is not just a loss of so many dollars or so much output. Much of the cost comes in failed career hopes; lost opportunities and eroded skills; in family stress, and in growing dependency on the working members of the community.

In 1977-78, the first full year of our five-year employment strategy, we plan to invest in the neighbourhood of $350 million beyond our regular expenditures on manpower programs. Over that five-year period much of the incremental funding for the employment strategy will come from changes in the unemployment insurance legislation. In the first full year savings to the government from the legislative changes will be about $110 million, but future savings will be even greater. Because unemployment insurance savings will rise as unemployment declines, we are looking at costs and resources averaged over five years. It is generally expected that, if parliament approves the changes I shall propose to the Unemployment Insurance Act, reduced government contributions to the unemployment insurance account will offset the extra costs of this employment strategy.

I shall deal first with the comprehensive job creation program. Because unemployment is at an unacceptable level we are allocating, as I said, about $350 million in expenditures in 1977-78 on special employment measures. Of this amount the largest single element will be a $200 million "Canada Works" program that will generate jobs for some 61,000 participants.

The program will be year-round, lasting up to 12 months when warranted, with projects tailored to local unemployment conditions. Funds will be allocated primarily to high unemployment parts of the country. Projects will be reviewed and recommended by ministerial advisory boards in constituencies, groups whose membership will change from year to year. The projects themselves will be subject to federal and provincial determination of broad priority areas. In parts of the country where the local tax base is inadequate, provision will be made for financial assistance with the cost of materials.

Investment in the Canada Works program will be adjusted to changing circumstances from year to year but the program will always operate on the basis that its role is to provide employment only when the private sector cannot. Wages will be based on the provincial minimum wage so as not to disrupt the private labour market. They will not exceed locally prevailing rates for the skills involved. Project workers will be helped

and encouraged to return to permanent jobs in the private sector. Project and selection controls will ensure that people are not drawn into the labour market simply to participate in the program. We will generally require project sponsorship by an existing community organization or group to ensure that real needs are met and the project is competently managed. The private sector—both firms and organizations such as chambers of commerce—will be invited to participate actively by sponsoring non-profit projects of community benefit.

A small portion of the $200 million for the Canada Works program will be set aside for temporary local employment emergencies—a natural disaster or failure of the main economic support of a community. We have developed emergency techniques in the last two years and have learned to respond quickly to such local disasters as the fires in Springhill and Main à Dieu in Nova Scotia.

The year-round program will be accompanied by a new program designed to supply jobs for about 21,000 extra students next summer. This program, "Young Canada Works", will have many of the same basic features as the year-round program. Some $30 million will be allocated largely to high unemployment areas. Project applications will be reviewed by the ministerial advisory boards. Projects will be up to 14 weeks in duration and sponsored by community organizations, including the private sector. Wage levels generally will be kept down to the minimum provincial wage levels. The range of potential projects will be the same as for the year-round program, but will be oriented to the interests and aspirations of young Canadians. The emphasis will not be so much on "doing your own thing," as on doing something of solid community value—such as fire prevention programs or environmental improvement.

● (2020)

The third new job creation element will be a Summer Job Corps in which we will invest up to $10 million. The Summer Job Corps will provide employment opportunities for students in activities related to federal government priorities. Projects will be sponsored by federal departments and agencies. Students may work on such projects as cleaning up rivers. For the most part, the work will be out of doors. None of it will be within federal departments themselves. Students will work in a structured environment under trained leaders, in any one of a dozen priority areas.

We will also continue, as part of the job creation component of the employment strategy, the existing summer student employment and activities program at a cost of about $25 million. Those funds will provide for a variety of initiatives by federal departments to create employment for young people; for example, cadet corps, and student-run summer manpower centres.

The Young Canada Works program, the student summer programs, the Summer Job Corps, and the main Canada Works program will all provide additional worth-while employment opportunities for young people, allowing them to gain valuable experience, while at the same time helping them to meet financial demands. But these programs, in themselves, can only partly respond to the long-term problems of youth employment in Canada because many young Canadians lack work skills and experience rather than job opportunity.

I now come to youth employment and employability. The second main thrust of our employment strategy is directed as much to the employability of youth in the private sector as the first is directed toward creating employment. Young people today have employment problems of a kind unknown to us 20 years ago. The problem is only partly a lack of jobs; in large measure it is the vast gap which exists between the world of school and the world of work.

Increasingly we see the tragedy of the young person who emerges from school, diploma in hand, but who cannot get a job because he or she lacks something called "relevant work experience." Young people today acquire knowledge of immense value in our schools and post-secondary institutions. But too often, employers tell us, students are not accustomed to the day-to-day realities of work, and are not able to translate text book knowledge into practical accomplishments. They cannot be hired until they can do so, yet they cannot get relevant work experience without being hired.

One remedy is to expand and strengthen what we can do to provide counselling and job connections for secondary and post-secondary students. We are proceeding vigorously with the publication of a full range of career counselling materials called "Careers Canada" and "Careers Provinces" for use in our Manpower centres and in co-operating school systems. We are developing, for possible introduction next year, a computer-assisted counselling program called "Choices". And we will strengthen and expand the Manpower counselling and job finding centres we now have on post-secondary campuses across the country. Over the next three years, we intend adding up to 18 new centres to the existing 70.

Better counselling information and techniques and a greater availability of counselling services will help, but they will not provide experience, and therefore can only be part of the answer for our young people. Counselling provides direction; "co-operative education" provides experience.

With the co-operation of the provinces I plan to give greater impetus to this concept of co-operative education which could successfully bridge the gap between school and work but which has been developing far too slowly in Canada. "In term" means simply that the teaching institution arranges with local employers that work and study will alternate in some sensible way. We know of over 80 such arrangements current in Canada. The young Canadians who have participated in them have had far fewer problems in the labour market, are far more certain of where their career interests lie, and are often hired by the very firms for which they worked as part of their training.

I have communicated with provincial ministers and offered to join with them to encourage and promote the development of more co-operative education. It is not an expensive proposition. No wage subsidies are involved. Most of what cost there is goes into setting up such programs rather than maintaining

them. We will offer to share with provinces the costs of starting co-operative education programs, not perennial subsidies for the programs' duration. I am convinced that, as these programs get established, the advantages to employers, students, and post-secondary institutions will be so great that no further financing will be required.

We are also interested in taking this concept a step further for youth with serious job placement problems. As soon as possible I plan to initiate a program which will help young Canadians gain a foothold in the job market. That program, called the Job Experience and Training program, will have a substantial winter component and a smaller summer portion. It will be based essentially on the very successful experience that we have had in the last two years with chambers of commerce and boards of trade on a pilot project basis.

Next summer chambers of commerce and boards of trade across the country will be asked to arrange for the placement of students identified by co-operating school authorities as drop-outs or potential drop-outs for whom serious employment problems are anticipated. They will be given exposure to a work environment and employment counselling that will facilitate their return to school or their entry to the labour market. The chambers will be given a modest grant, and participating employers will receive a small wage subsidy. In the winter young people who encounter severe and continuing difficulty in getting and keeping jobs and need work experience will be provided with nine weeks of partially subsidized employment in the private sector, preceded if necessary by a brief training period. The result, at a very modest cost per hard-to-place young person, will be the acquisition of experience without burdening any firm because the government will, if necessary, help to compensate for the young worker's low initial productivity.

Next year we expect to invest a total of $11 million on these particular measures to help young people find rewarding and productive employment in the private sector. I am convinced that measures to improve career counselling and career choice, and to help young people blend schooling and experience, are among the most productive we can mount. If the programs are as successful as I hope, I would like to see them take an increasingly large place in our over-all employment strategy.

Next may I speak about preventive measures. The third major element of our employment strategy is the development of new and the strengthening of established preventive measures. The federal government now is investing well over half a billion dollars in the training and retraining of Canadians to increase their employability and income. Most of this very productive training is carried out in provincial institutions. Our first step will be to increase our manpower training budget for next year, with an emphasis on the expansion of industrial training. For some years we have been increasing the proportion of our industrial training, because of its high productivity and relatively low cost. In the past five years our funding of industrial training has increased 500 per cent, from $10 million to over $51 million originally planned for next year. We will increase that by $19 million to a total of $70 million in 1977-78.

These training opportunities will particularly benefit young workers, women returning to new careers in the labour force, native people, and the many Canadians who each year find that they must acquire a new occupation to earn their daily bread.

With the expansion of industrial training and the introduction of the job experience and training program, the government is responding to suggestions from a number of quarters. As suggested in the government's working paper, "The Way Ahead", this is an area in which industry can assume a role that might otherwise be left to a government institution. I hope that business will accept this responsibility willingly and that the results will warrant expansion of co-operative business-government partnerships in human resource programs.

No comprehensive employment strategy for Canada would be complete without the provision of a more adequate level of opportunities for the many Canadians who are, in one way or another, seriously disadvantaged in finding and keeping jobs. Although my department already has a number of programs that provide a good deal of assistance to people with severe employment disadvantages—the Outreach program, intensive counselling programs, the Local Employment Assistance Program, and our developing community employment strategy—we can and should do more for the Canadians who are hardest hit by unemployment regardless of the state of the economy.

● (2030)

Accordingly, we are carrying out a major review of existing programs for the handicapped, with a view to promoting various measures to facilitate their integration into the labour market. I do not expect this to result in the imposition of hiring quotas or other artificial devices in the private sector. I expect that, in co-operation with the Public Service Commission, measures for handicapped people may be developed to expand their opportunities in the public service, improve their access to services, and provide leadership in showing what can be accomplished. Later in this session of parliament I hope to announce some new measures we will undertake and to suggest ways in which the private sector can join in these developments.

Today I can announce that we will expand the Local Employment Assistance Program by more than 40 per cent through the addition of some $6 million to the budget for next year. Over the last three years this program has proven to be highly effective as a means both of providing employment to serious disadvantaged workers and enabling them to progress to future employment in the private sector.

There are some innovations such as work sharing and occupational training. Thus far I have been dealing with programs in the context of a strategy for the next five years. Now I would like to touch on several innovations we wish to introduce in the new unemployment insurance amendments. We hope these will greatly strengthen our unemployment insurance program and make it not only the essential protection for

unemployed workers, which it is now, but also a positive instrument in promoting a healthier and more productive labour market.

The first of these measures we call "work-sharing". We plan to introduce next fall, on an experimental basis, the concept of work-sharing during temporary economic downturns that has been so successful in a number of European countries. The idea is quite simple.

At present when markets slacken temporarily, firms cut back their production and their work force. The people who are made jobless claim unemployment insurance, search for other work, or take training to get into new occupations. Typically there are major losses involved in this process—people's work skills erode when they are idle, spirits are depressed, and they lose the habits and patterns of work that are so important to personal and family stability.

Work-sharing avoids that problem. For instance, instead of laying off 25 per cent of the workers, a company and its employees agree that the available work will be shared and all of them will work a 30-hour week instead of a 40-hour week. The government pays unemployment insurance benefits for a quarter of the week to all the workers, instead of paying for the full week to one quarter of the workers.

Despite the extensive European use of these work-sharing programs and their apparent benefits to individuals and companies, the system has not yet been tried in Canada and we want to make sure that it will work here. After experimentation and assessment next year, we may find voluntary and temporary work-sharing arrangements are measures we wish to develop widely for use in short-term, non-seasonal slowdowns.

The work-sharing experiments will be developed and carried on by a very small but highly effective service, the Manpower Consultative Service, which my department has operated for a decade, and which we shall expand for this purpose.

The Manpower Consultative Service brings together companies, workers, and unions to develop an action plan for overcoming a variety of employment problems. Such problems may range from an impending shutdown, resulting from difficulties occasioned by technological change; problems associated with high turnover and chronic absenteeism; to simple problems of anticipated shortages of skilled workers. Although too little known, the Manpower Consultative Service is one of the most effective preventive tools we have. It eliminates, before they arise, many employment problems that workers and companies would otherwise face.

Another new productive use of unemployment insurance lies in the field of occupational training. Our plan is to encourage unemployed people who lack job skills to use their idle time to take training and prepare for the new jobs that will develop. Naturally we shall not train people who already have marketable skills; we shall train only for skills that we believe will be in demand. Unemployment insurance will partly replace our regular training allowances and thereby free funds to provide for additional industrial and institutional training.

We also plan to experiment with direction job creation projects in which unemployed Canadians receiving unemployment insurance will be offered the chance to participate in community service projects. We would, of course, maintain job counselling and job search activities so that they could move to regular private sector jobs that became available. But in the meantime they could protect their job skills and enhance their feeling of participating in activities of community value.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, after listening to the Minister of Manpower and Immigration (Mr. Cullen), right off the bat I must accuse him of plagiarism. Obviously he has dug up some Conservative policies and platforms of the fifties. All of this was implemented years ago. Six of these schools were established for technical and vocational training. It is unfortunate that the program was not continued by the Liberals. However, I congratulate the minister this evening on reviving this very successful Conservative program. I am sure it will be very successful.

I am familiar with the technical school that was established in Manitoba by the Diefenbaker government. I checked figures there. It has trained many Canadians, young and old, to a profession. In this it has been very successful. The minister is to be congratulated for continuing this Conservative program, even though there was a ten year lapse.

Tonight I would like to take the opportunity to extend my congratulations and best wishes for good health to His Excellency the Governor General, and Madam Léger. Their presence and participation at the opening of this session of parliament served to re-affirm our continued support of the monarchy which makes Canada such a unique nation.

Some hon. Members: Hear, hear!

Mr. McKenzie: At the outset I believe I would be remiss if I did not take a few moments to extend my belated birthday greetings to the Prime Minister (Mr. Trudeau) and to assure him that we on this side of the House spared nothing to make sure he got a resounding birthday message from the people of Ottawa-Carleton and St. John's West. If the Prime Minister were to call a general election for his next birthday I am sure the voters of Canada would be even more generous in their greetings and present him with an early retirement.

I will never cease to be amazed at what the Prime Minister will do to divert public attention away from the real issues facing Canada. A year ago the Prime Minister announced on Thanksgiving Day that his government had a well prepared contingency plan to fight inflation. Now, a year later, as the economic health of Canada continues to deteriorate, the Liberal government has come up with another act of governmental showbiz to cloud the issues.

What I am specifically referring to is the decision of the Prime Minister to send his cabinet around the country selling bilingualism. This is a red herring that the Liberal government is using in its desperate attempt to make as many people as possible overlook the poor state of the economy.

At the present time there are approximately 750,000 Canadians unemployed. This gets us back to the minister's statement tonight. The government never acts when it sees trouble on the horizon. Instead of acting when there are 200,000 or 300,000 unemployed, it waits until there are 750,000. It has to be absolute, complete, total disaster before its members say maybe they had better do something. Then what they do is dig up an old Conservative program because they have no ideas of their own. They are completely bankrupt of any original ideas. At a time when approximately 750,000 Canadians are unemployed, surely one has to wonder whether their priorities are totally mixed up, or are they confused? Under the guise of promoting national unity the Liberals have angered and frustrated many Canadians. This folly must stop and the government should start concerning itself with the key national problem—our economy.

● (2040)

As a member who came here first in 1972 I have to admit that even after nearly four years I still have a difficult time determining when the Prime Minister and his government are telling the truth and when they are not. When the Prime Minister publicly admitted in Saint John, New Brunswick, that the Liberals had lied on the controls issue during the 1974 election I was not at all surprised. It served to reinforce the question: when are the Liberals telling the truth and when are they resorting to falsehoods? For example, in the Speech from the Throne the following passage appears:

> ... the government will continue to practice fiscal restraint. The control of inflation will remain the single most important condition for economic stability in Canada, even after price and income controls are removed. Determined restraint in fiscal and monetary policy is essential to the long-term control of inflation.

These are worthy goals, Mr. Speaker, but looking at the record I find myself wondering when the Liberal government began to practice fiscal restraint and to control inflation. This is but one example of the doubt it creates. To say there is a credibility gap would be an understatement.

It is deceitful on the part of the government to pretend that bilingualism is now the burning issue of the day when no serious attempt has been made to restore health to the economy. Anyone taking a close look at the government's economic record would be bound to agree that ministerial priorities are confusing, to say the least. The last significant legislation introduced by the Trudeau administration was the controls program last fall. For almost 12 months the country was without any economic accounting, and the budget which did come down in May took no initiative in the economic field. Instead it left responsibility for restraint to the provinces, and responsibility for growth stimulus to the United States. Yet the government still acts as though our economy is in fine shape. Who are the Canadian people to believe?

Prior to last May's budget there were four events which had serious impact upon the economy. First was the resignation of finance minister John Turner who will be proven to be the most irresponsible minister of finance in Canadian history because of the way he allowed government spending to run rampant. There was the about-face of the Liberals on the controls issue, and, of course, the Prime Minister's speech on his new society. Last I should mention the way in which the controls program was, and still is, being handled. Each of these events damaged confidence in the economy at a time when inflation, industrial disputes, and a worsening balance of payments deficit were only further testing the system. When such reputable groups as the Economic Council of Canada, the C.D. Howe Institute, and the Canadian Chamber of Commerce all share the view that our economy is in a mess we can be sure they are not exaggerating. It is small wonder the government is using diversionary tactics to take people's minds off the economy.

Government spending presents a greater threat to the future of Canada than any other which faces us. With a projected federal spending deficit amounting to $6 billion I am of the opinion that the Prime Minister and his cabinet should be explaining to the Canadian people how they intend to solve present economic problems rather than gallivanting around the country spouting rhetoric on the Liberal-created issue of national unity. Wastefulness and bureaucratic incompetence only bring us closer and closer to bankruptcy.

The annual report of the Auditor General presented last December confirmed a deeply rooted belief held by many Canadians that the Liberal government is the biggest culprit in bringing about the growth of inflation. In his last report the Auditor General served up columns of shocking news, horrible stories of mismanagement, bumbling, over-spending—black comedy at the expense of the taxpayer. From all the reports of financial mismanagement it is evident that the Liberals have lost their grip on government spending. Policy objectives are not being reached. Millions are being wasted because of official sloppiness, poor communications, and abrogation of responsibility. These have all become the trademarks of the Liberal Party of Canada.

People cannot fail to be concerned about what the Auditor General has to say with regard to the government's financial habits. In the face of the combination of high inflation and high unemployment which has sent the economy staggering, the government can no longer ignore the cry for better financial control in Ottawa. In his report the Auditor General stated, and I quote:

> The present state of financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

Soon after that statement appeared in the Auditor General's Report, the hon. member for South Shore (Mr. Crouse), in his capacity as Chairman of the Public Accounts Committee, put the following question to the Auditor General:

> Since the Auditor General is so critical about the financial controls in government departments, how can you assure the House that the public accounts and financial statements of the government are accurate and reliable?

The Auditor General's response was:

> We feel very strongly about the fact that unless the systems are corrected the day may well come when I cannot give a clear certificate on the accounts of Canada.

I contend, Mr. Speaker, that this gives us a clear indication of the financial fiasco the Liberal government has led us into. The financial implications are such that one must wonder aloud why the government is employing accounting procedures which it would not accept were they used by a business or by a private citizen. Revenue officials have little patience with an individual whose books are not clear and accurate, yet the government is using methods about which the Auditor General has serious reservations.

The Liberal government has become a spending machine without a control centre. For the record, I should like to call attention to a few examples in support of that statement. The Department of National Defence, at the time of a national housing crisis, lost $214,000 on unoccupied housing in Halifax where there was a severe housing shortage. The Department of Supply and Services wasted $3.8 million on a computerized government payroll system which proved unworkable and had to be abandoned. The federal government paid $4.5 million for offices it did not use. The federal government has developed a bizarre practice of making loans to itself and then counting the loans as assets.

Those, Mr. Speaker, constitute but a tiny sampling of the gross financial misdeeds of the Liberal government. This is why I have serious reservations about the section in the Speech from the Throne which states:

> You will be asked to consider a bill designed to clarify the duties and responsibilities of the Auditor General of Canada and to provide him with better means of fulfilling his important function as a servant of parliament.

My reservations stem from the past performance of the Liberal government which has failed to act on the recommendations of the Auditor General to put its financial house in order. Again, this goes back to my comments that it is difficult to determine if the government is telling the truth or using deception. Judging from their past performance, however, one can only assume that the Liberals are being less than sincere.

We on this side of the House have for some time been in favour of strengthening the office of the Auditor General. Time and time again our calls for implementation of his recommendations have fallen upon the deaf ears of the government. To date, little if any action has been taken on the report of the independent review committee with regard to the office of the Auditor General. Yet we are now asked to take seriously the government's pledge to assist that office. I hope members opposite are sincere in their intentions, Mr. Speaker, motivated by the way in which government spending has gone out of control, that this is not just political window dressing in a further attempt to con the public into thinking the government is actually serious about fiscal restraint.

A Progressive Conservative government would be committed to the idea of being prepared to be completely accountable to parliament for all government spending. At the present time the control of supply by the elected representatives is not respected by the Liberal government. It has reached the point where spending estimates are presented in a form that cannot be readily understood. The public accounts are insufficient enough to let the government get away with unlimited spending.

● (2050)

Let me point out that it was the Liberal government that in 1969 changed the rules under closure and put an end to the proper examination of federal government spending. Now liberals have trapped themselves. They do not even know what is going on today. They are under the complete control of the bureaucracy. Not only are parliament and the public unable to assess the value or purpose of much of the government's spending, but even the cabinet, treasury board, department heads and program managers are unable to judge the worth of what they are doing. It is no wonder that the Auditor General has publicly stated that parliament has lost effective control over government spending.

It was somewhat refreshing to hear the hon. member for Scarborough East (Mr. O'Connell) a former cabinet minister, say to this House last week, as reported at page 83 of *Hansard:*

> Whether the government is able to proceed down this middle road will depend in some part on how this parliament can control government spending.
>
> The point I am going to make is that we do not now control government spending—

Then the hon. member for Scarborough East went on to say:

> In my view it is urgent that we find new means of controlling government spending—

It is so ridiculous, Mr. Speaker, under the present committee system to examine the estimates after all the money has been spent. I suggest this is one of the most irresponsible actions of the government. Reviewing spending estimates after the money has been spent is an absolute joke. As I was saying, it was refreshing to hear a former Liberal cabinet minister come to grips with the evils of increased government spending and take a positive stand by offering what in many respects sounded like Progressive Conservative proposals.

The Leader of the Opposition (Mr. Clark) has proposed certain action to be taken if we form the government. For example, he has called for the strengthening of the committee system in parliament by giving the committees investigative powers so that public spending might be better scrutinized. The actual record of the Liberal government, compared to its performance, can only lead one to conclude that it is a government that cannot be trusted, Mr. Speaker. Only a change in government will alter the trend of financial mismanagement.

There are, of course, other areas where the government has created a breach of faith with Canadians because it has said one thing and done another. Freedom of information is a perfect example of the double standards of the Liberal government. My colleague, the hon. member for Peace River (Mr. Baldwin), has done an excellent job of bringing this issue into

the public forum and has shown leadership in the effort to make government more open. This is indeed a healthy move at a time when there is growing cynicism with government. Even the former member for Ottawa-Carleton has been crusading for freedom of information.

It would seem to me that the emphasis on freedom of information in the throne speech is another example of the Liberal government's attempting to use an issue for the sake of political expediency. It is interesting to note that the government has hit an all-time high in the use of terms such as "top secret", "confidential", "restricted", and so on to cover even the most trivial government documents. Yet it now expects us to believe that it is suddenly going to be open.

On September 7 Gordon Robertson, secretary to the cabinet for federal-provincial relations, said this in the course of a speech:

> Most of the articulate argument in favour of increased access to government documents comes from special interests—the media, members of parliament—

He says members of parliament are a special interest group. We are here to represent the people.

> —the pressure groups, and the academics.

What I find amazing about that statement, Mr. Speaker, is that an employee of the federal cabinet is insinuating that members of parliament are a special interest group. As elected representatives of the people I am sure that my colleagues share my feeling that an employee of the Liberal government should have more respect for parliament than to insinuate that it is just another group that is after government documents. I wonder what the real attitude of the Liberal government is on freedom of information.

I should like to take a few minutes, Mr. Speaker, to touch on the subject of bilingualism. For too long the Liberal party has used bilingualism as a political device to claim that it was the be all and end all of national unity. All too often in the past the public has been led to believe that this nation could only be united under a Liberal government. I share the sentiments of my leader who, on October 13, said that the manner in which bilingualism has been implemented has caused some concern among Canadians.

I can understand this concern among Canadians. The two ministers who spoke today, the Secretary of State (Mr. Roberts), and the Minister of Manpower and Immigration (Mr. Cullen), came to Winnipeg and said that western Canadians are shoving English down the throats of the citizens of Quebec. That is all they said; they did not qualify it. I say that is a lot of nonsense. I find very little support for Bill 22 under which Canadians are being denied the right to learn English in the province of Quebec. That could only happen under a Liberal government. As I was saying, the Leader of the Opposition said there was concern among many Canadians, both French speaking and English speaking, but that there is no reason to call them bigots or racists.

Many moderate and reasonable Canadians are growing apprehensive about bilingualism because they doubt the motives of the Liberal government. As the Leader of the Opposition has said, a government without trust cannot govern, because trust in a federal and diverse country like Canada is elemental to national unity. This government no longer has that trust, Mr. Speaker. Many Canadians have become apprehensive about bilingualism because of such things as the Liberal attitude on Bill 22 in Quebec, the practice of having middle aged civil servants take costly and unnecessary language training, rather than develop long-range programs, use of a quota system at the expense of the merit system, a bilingual labelling and packaging act which is hurting many businesses, and finally, over-all implementation of bilingualism.

I can only concur with my colleague, the hon. member for Saint-Hyacinthe (Mr. Wagner), who said:

> The principle of bilingualism is only valid when it means the same to Canadians as the principle of fairness. This government has somehow managed to divide the two principles in the minds of many Canadians. That is the single, greatest tragedy of the present government. That is the single, most gnawing doubt that attacks the very gut and fibre of our country. There the record of this government is a record of failure.

The Secretary of State and the Minister of Manpower and Immigration also stated in Winnipeg that they were not shoving French down the throats of Canadians. I attended one meeting where the Secretary of State made that statement and I pointed out to him that this is what was happening. The government is forcing French television channels into areas where they are not needed or not wanted, as was the case in northern Manitoba, British Columbia, and St. Thomas, Ontario.

Yesterday the hon. member for Leeds (Mr. Cossitt) related how the CBC was cancelling out an FM radio station in his area in order to bring in a French channel, and his area is 98 per cent English speaking. If I were a government member I would not be trying to shove an English channel down the throats of the citizens of Rimouski if they did not want it. I am sure Rimouski is about 98 per cent French speaking and the people there want French radio stations and French television stations. I say that the Liberal government is shoving French down people's throats in implementing the bilingualism program.

Some of the members of this party have attended CRTC hearings to oppose the introduction of these channels in areas where they are unnecessary. I hear a lot of rumbling on the other side, Mr. Speaker. Let them get up on their feet and say something about this. I am complaining about the implementation of the program on the part of the government. If that program, which was introduced in 1969, is so terrific, why was it brought back into the House of Commons in 1973 to be re-endorsed? And hon. members are still talking about it. That program is an absolute, complete and total failure, and 20 years from now we will still be talking about it and there will still be dissension.

● (2100)

The government does not know what it is doing. A Progressive Conservative government would not use bilingualism as an

emotional political issue, because we want to make Canada a better place. When the former minister of national defence had to resign over the government's language policy you can be sure the Liberal government is not acting in the best interests of Canada.

Some hon. Members: Oh, oh!

Mr. McKenzie: Would the hon. member for St. Boniface (Mr. Guay) kindly get up on his feet? You are always mumbling and rumbling over there.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker—

An hon. Member: O.K., Joe, you are on.

Mr. Guay (St. Boniface): I have to wait until the hon. member sits down. The only point I wish to make, Mr. Speaker, is that the only thing I said was that the only thing the member knows is how to read, because that is what he is doing, reading.

The Acting Speaker (Mr. Ethier): Order, please. There is no point of order.

Mr. McKenzie: I know exactly what I am doing, Mr. Speaker. I am speaking for the people of Manitoba.

Mr. Guay (St. Boniface): Keep on reading, because that is what you are doing.

Mr. McKenzie: You are not speaking for the people of Manitoba. You are an absolute mouse. We never hear anything from you at all on any issue—nothing. You were challenged to go on the radio station with me to discuss Liberal policies.

Mr. Guay (St. Boniface): When?

Mr. McKenzie: They could not get you to show up. They can never get a Liberal to show up on a radio station in Manitoba to discuss Liberal policy.

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I am speaking to you and not to the hon. member opposite. If I was not with him on that radio station, the only reason was that I realized my responsibility was to be in this House and not on a radio station shooting my mouth off on things I know nothing about. I would rather be here representing my constituency than be away when I should be in the House. I have the best record of being in the House every day of the year, while the hon. member is away half the time.

An hon. Member: That is not a question of privilege.

Mr. Guay (St. Boniface): I can bring out the record any time.

Mr. McKenzie: Mr. Speaker, the hon. member for St. Boniface is here representing the Liberal party, he is not here representing the residents of the constituency of St. Boniface. I am here representing my people, and his remarks about me only being here part of the time are incorrect. I am here five days a week.

Mr. Guay (St. Boniface): I will prove that you are never here five days a week and I have got the records right here. Anybody who wants to see them I have them right here.

Mr. McKenzie: And that record is about as phony as everything else on that side.

Mr. Guay (St. Boniface): I am looking at it now, Mr. Speaker, and I will show it to him any time.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. McKenzie: Mr. Speaker, we come back on the same plane every Sunday night. I am a five-day a week member.

Mr. Guay (St. Boniface): We can check the record because you are never here.

Mr. McKenzie: Mr. Speaker, that is a red herring and obviously this member is nothing but a Liberal puppet. I have lost my place here now. Mr. Speaker, the government has let the Canadian people down, but rather than dwell on partisan matters I would like to say that we on this side of the House are not going to sit around complacently and allow the government to defeat itself without our offering positive and constructive alternatives for Canada. That would be doing the country a grave injustice. The Progressive Conservative party is going to be ready to form a government which will give leadership in every field, and a distinct alternative to the present government.

In conclusion, Mr. Speaker, it would be a very positive sign if the government would repent and change, but we all know better. It will not do that, yet I know that in a short time Canadians will have the opportunity of restoring confidence and faith by joining their fellows from Ottawa-Carleton and St. John's West, giving Canada a Progressive Conservative government.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre De Bané (Matane): Mr. Speaker, I was very concerned about certain themes which were brought up during the debate by a good majority of members as well as by certain ministers. The first assertion that worried me is that which some members used to try to give a restrictive interpretation of the Official Languages Act. A great number of members—especially those who are English-speaking—and certain ministers said that the sole objective of this act was to allow citizens of this country, and particularly the francophones, to communicate in French with the federal government.

If this is my reason for being here, I can assure you that this type of fight does not interest me in the least. Indeed, we must consider the fact that a mostly bilingual minority, especially the French-speaking group outside Quebec, will always have a tendency to use the language of the strongest group, particularly when this language corresponds to the real dynamics of the community, and it is not the offer of linguistic services which can go against what we can still call the basic law of economic means. There are those who want to weaken this law to the point of a caricature so as to allow us to communicate in French with the government and to receive a reply in French. It is certainly not worth it to fight for objectives so subtle and insignificant.

The second theme which has often been brought up concerns the inhuman implementation of the Official Languages Act. On this subject, I would like to recall that the implementation of the Official Languages Act was negotiated with the Public Service Alliance, the union which represents civil servants, and unless I am mistaken, I have not often heard the union complain about the implementation of the act, since it was done with its full agreement. On the other hand the commissioner of Official Languages himself has concluded after many investigations that if there are in fact some terrible examples of implementation, the percentage of such occurrences under this policy is really insignificant.

The other theme which was often touched upon concerns the fact that the implementation of this act has been much too rapid. I would like to quote a few figures to show that, since the statement made by the Right Hon. L. B. Pearson about 15 years ago, far from being rapid, advances concerning linguistic equality have been extremely slow. It is therefore useless to put on safety belts since everything is happening at a very slow pace.

● (2110)

In 1976 a mere 12 per cent of federal civil servants are working in their mother tongue which is French. If you look at French-speaking Canadians, there are six times as many—almost 75 per cent—who can work in their mother tongue. If we look at the National Capital area only 7 per cent of the positions require French proficiency while in this city which is supposed to reflect the language duality of our country, more than 66 per cent of the positions require English proficiency only.

In fact, according to a study made by the Treasury Board in 1975, the majority of French-speaking Canadians working in the National Capital area must do so in English. In the province of Quebec, more than 40 per cent of the positions require English proficiency. I am not even talking about French-speaking persons who must work exclusively in English in the province of Quebec, which is true for 12 per cent of those in the so-called technical category. Of course there is even worse: like the Air Canada repair workshop where the use of French has always been completely forbidden.

[Mr. De Bané.]

I wish to quote a few figures about the development of the situation in 1974 and two years later, that is today. At the Agriculture Department, in 1974 only 5.6 per cent of the management was French-speaking and today, in 1976, it is 5.3 per cent. At the Canadian Livestock Feed Board, the Francophones were 3.4 per cent in 1974 against 3.5 per cent today. In the Customs and Excise Division of National Revenue we held 26 per cent of management positions two years ago and today 20 per cent. In the Taxation Division 9.5 per cent of the management were French-speaking three years ago and, today, 6 per cent. In the Consumer and Corporate Affairs Department, 14.8 per cent of the management was French-speaking in 1974 and today this figure has dropped to a mere 9 per cent. Two years ago the Communications Department included 10.9 per cent of French-speaking scientists and today they are even less than that. The Canadian Transportation Commission had 16 per cent of Francophones two years ago and today they have 14 per cent. At National Defence, the percentage of French-speaking employed in a managerial capacity was 4.3, now it is 4.2; to put it another way, out of 24 members of management there was only one French-speaking Canadian. In the Environment Department with 53 management positions two years ago, ten were held by French-speaking persons. Today there is one more Francophone and 11 Anglophones, so this obviously reduces substantially the percentage of French-speaking employees. At Energy, Mines and Resources, quite an important department, two years ago we had 24 English-speaking and two French-speaking members of management. Today the management of that department boasts 31 English-speaking and still only two French-speaking members. At the Department of External Affairs, there were eleven positions two years ago, one French-speaking employee; today, the situation is the same. At the Department of Finance, only two out of 27 management positions were held by French-speaking persons. Today the situation is exactly the same. At the Department of Indian Affairs and Northern Development, French-speaking employees represent 13 per cent of the personnel. At the Department of Urban Affairs, they represented 18 per cent of management two years ago and they have now shrunk to 6 per cent.

The B and B Commission pointed out the limited involvement of French-speaking employees at the intermediate and higher levels of the public service, the almost exclusive use of English as a working language and the gradual acculturation of the French-speaking civil servants. And some dare say today, notwithstanding these public figures, that we are going too fast. So much for that when it comes to language equalityin Ottawa; I am just as concerned about the situation in the province of Quebec where, according to some members, French unilingualism is the order of the day.

A French-speaking person wishing to take up a career in major industry in Quebec faces a dilemma. He feels he will often have to choose between his own promotion and the gradual loss of his linguistic and cultural identity. Even more, this person deeply feels he is alienated.

More than half the managerial staff of large firms think that a French Canadian who succeeds in a big company should be more English than French. And the firms which are prepared to appoint French-speaking Canadians to key positions always require at least three conditions: the candidates must be perfectly fluent in English, they must accept to be transferred outside Quebec and they must carry out their activity exactly like their English-speaking fellow employees, that is they must think and act in English.

If we look at the average income derived from work by salaried people in Quebec according to the ethnic origin, we notice that French Canadians rank just above the natives. Even more, with equal instruction, French Canadians earn less than other groups. It is to French Canadians that education benefits the least and the gains they have when going from the elementary to the secondary and the university level are even less than those of other groups.

Inside large Canadian manufacturing industries, we see fewer and fewer French Canadians as we go up the hierarchy. In Montreal, French Canadians make up 60 per cent of the staff but only 17 per cent of the executive, which is of 83 per cent English speaking. Ninety per cent of Canadian immigrants in the Montreal region adopt English as their new Canadian language and send their children to English schools even though they live in a province and a city where French is the language of the majority.

When the French-speaking population will have dropped to the rank of a minority in what is the only French-speaking metropolis in North America, something which may happen at the turn of the century at the rate we are going, future prospects will be irreversibly jeopardized for the French-speaking community of North America. We cannot therefore think of French Canada's future without first solving this problem. The present solution is untenable in the long run because it entails the genocide of the French speaking people.

In Quebec, blue collar workers come from the local labour force but three quarters of the positions with an annual salary of over $25,000 are taken up by administrators with English-speaking background. In Quebec, with the exception of Montreal, 30 per cent of the executives are English and they hold 80 per cent of the higher ranking positions even though they represent only about 7 per cent of the labour force. More than 96 per cent of French-speaking executives are bound by contract to be bilingual, whereas half of the English-speaking employees are not compelled to know French.

The case is even worse in Montreal, where 86 per cent of the English-speaking persons earning more than $25,000 a year are unilingual. The B and B Commission has reported that the English-speaking minority in Quebec earned the highest wages in all of Canada. Nowhere else do English-speaking workers earn as much as in Quebec. As noted in the report of the commission on the status of the French language and linguistic rights in Quebec, a royal commission set up by the Quebec government under the chairmanship of Mr. Jean-Denis Gendron, and I quote:

> Even though they are relatively few in number, the English-speaking residents of Quebec succeed in giving their mother tongue a usage status equal in importance to that of French. The balance is in favour of English as soon as we consider the numerical importance of linguistic groups or note the appeal of this language for the third group.

And to quote the report of the same commission, on page 25 of the first volume:

> It is nonetheless clear, according to our data, that the vast majority of English people in Quebec (660,000 out of 788,000) are not obliged to use French. We will get many other confirmations, but this first confirmation is significant for it is quite a good indication, on the numerical viewpoint, to what extent, in view of the public and private institution we have referred to, Anglophones can live together with Francophones without any contact with them. It is obvious then that francophones bear the cost of their language when the moment comes to set up the necessary contacts between both communities, particularly in labour relations.

Mr. Speaker, individually, within each generation since 1760, thousands of French Canadians join or try to join the English population of North America. In other Canadian provinces and in the United States, over two million are now totally integrated into the Anglo-American mass. Within the very borders of the province of Quebec, that individual assimilation process has been going on for two centuries, but with a great deal of difficulty, because French Canadians always made up and still make up the majority of the Quebec population. They always kept sight of the fact that they represent a community, a society, nay, a separate nation.

● (2120)

Now, the latter, as such, has been living a self-contained existence for three and a half centuries in the St. Lawrence Valley. We are beginning to realize both in French and English Canada that we must immediately give up our illusions of yester years. Canada will not be populated by a French-speaking majority as Quebec had long hoped for. On the other hand, the survival of French Canadians as a distinct community in Quebec is an accomplished fact. Any realistic policy must rest on the realization that two major groups or two nations now co-exist in Canada. Such is the wish of history.

The political philosophy of French-speaking people in Quebec is no longer that of a group who, having survived linguistically, would be contented with a minority status. Therefore two conclusions must be drawn: first, the need to put an end to the misconception on which the association of French- and English-speaking Canadians within confederation has been resting up to the present day and, second, the need to grant official recognition to the national rights of French Canadians.

Yielding to the will of the nation which had conquered the St. Lawrence Valley, the descendants of the vanquished in 1760 had to accept their fate as a minority group. The few concessions which their leaders gained concerning the use of French, the preservation of civil rights in Quebec and the protection of Catholic schools made this acceptance easier. It remains nevertheless that French Canadians were permanently reduced as a community to a subordinate position in the country built by the conquerors of 1760 and their heirs.

Each time they were convinced by their leaders that their unfortunate condition was solely due to the ill will of a few English Canadian extremists. They were only too willing to believe that sooner or later all Canadians would show the same patriotism and have the same ideals. French Canadians thought that one day English Canada would no longer be English Canada. It seems that most of them thought that soon English Canadians would at last share their views.

Many French Canadians even believed for quite a long while that the community they belonged to was itself mainly if not solely responsible for their misfortunes. Supreme humiliation, the people who have been brought into subjection are generally inclined to feel they are themselves responsible for their unhappy fate and to accuse themselves publicly of loosing because they were not bold enough.

The time has come for English Canadians to realize that the French Canadians of Quebec will never be assimilated. On the contrary, since they have been better educated and better prepared for their modern tasks, French Canadians, far from giving up the fact that they want to live as a collectivity, a willingness that the former generations maintained with the few means they had, want to give it another dimension. The French-Canadian nation is buoying with new social, economic and political ideas. It is no longer a question of surviving, of building up a new human environment where it can fully develop and where it can offer to all its members all those possibilities of promotion which up to now had not existed.

To the worries and distress of most of the peoples of the earth in this era of violence, both physical and symbolical, we must add those of a people which strives for its survivance and its development. Now that it is fully self-conscious, it feels, deep in itself, that it must accomplish an uncommon destiny, but the conditions of this accomplishment are not always obvious.

For more than ten years, I have been involved in all the great battles which marked the life of Quebec in Ottawa. I passionately lived through the whole evolution of this linguistic and ethnic duality which claims to be the very essence of our great country. One day, the crisis bursts out, the blow is hard. The next day, you wake up all alone, disarmed, reduced to nothing, contemplating a national catastrophy in which all our hopes for unity and fraternity were destroyed. The national unity of Canada is now greatly threatened. It hurts, it really hurts when you see yourself a prisoner, unable to guide your own destiny, the prisoner of a play written in advance.

I realize more and more that our behaviour shows a false confidence, it contributes to create a situation which is in fact artificial because we try with all possible means to evade a sometimes unduly disturbing reality. Canada is built up of two different nations, cultures, languages. Consequently, unless we want the state to split up, it is very urgent that we recognize that socio-political reality and adapt to it quickly as long as it is still time.

From the cultural point of view, some want to subjugate the French-speaking Canadians by bringing the French-speaking majority of Quebec to the condition of the French-speaking minorities in other provinces, where the differences of languages, laws, origins, traditions are not recognized as a sufficient basis to justify and preserve a real autonomy which at the same time could be legally and practically recognized in a constitution which would respect the sociological reality.

Mr. Lambert (Edmonton West): I wonder why my colleague, who has a certain experience and knows the practice of the House, insists on reading his speech.

Mr. Duclos: This is not a rare occurrence in the House!

Mr. Lambert (Edmonton West): No, but we must listen and be objective. Some newly elected backbenchers still insist they are entitled to read their speeches.

Mr. Duclos: This is not so!

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Lambert (Edmonton West): Mr. Speaker—

Mr. Duclos: This is not so! Why did the hon. member not rise earlier?

The Acting Speaker (Mr. Ethier): There may be standing orders, but they are antiquated. They are outdated. We should not read from notes in this House, but I believe this is done every day, and I would allow the hon. member from Matane to go on with his remarks.

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Edmonton West on a point of order.

Mr. Lambert (Edmonton West): I insist that the hon. member put his views forward without reading from notes. I have known him for a long time, and I insist that we shall have—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Duclos: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Montmorency on a point of order.

Mr. Duclos: Mr. Speaker, I would simply remind the hon. member for Edmonton West that on both sides of this House we are on equal footing. Whether we have been elected in 1974, in 1972 or 1968, there should be no difference. I speak as much for my opposition colleagues who were elected in 1974 or 1972.

The Acting Speaker (Mr. Ethier): Order, please. This has degenerated into a debate, and I do not believe there is a bona fide point of order on either side. I would therefore allow the hon. member for Matane (Mr. De Bané) to go on with his remarks.

Mr. De Bané: Such a constant attitude of wondering about one's destiny may be interpreted as a sign of good health. It is an indication in any case of a will to live, which is, of course, an essential condition for the survival of any community. However, there is the risk that it may dampen energies.

A community cannot wonder indefinitely about its identity and its destiny. It must hold on to a core of certainty, cling to certain answers. There is now a strong feeling that French Canada must make important options. It must take up difficult challenges, which requires a great deal of lucidity and courage. So, it has become obvious that French Canada cannot count on the support of Quebec or Canadian Anglophones. The latter are totally indifferent to the problems, unaware of their importance or unwilling to do so. They do not understand or pretend not to understand how vital the problem is to the whole French-Canadian community that barely makes up 2 per cent of the population in North America.

That is one of the reasons why I think the concept of a bilingual Canada is a faulty political solution to the cultural problems that must be posed in different terms. An analysis of the destiny of French Canada and English Canada in North America and their quest for identity finally always boils down to two national communities with close historical links pursuing their future in an independant way.

On the other hand, the French Canadian never feels at home in a English-Canadian nationalism, while the English-Canadian, particularly if he is a second generation Canadian of non-British origin, remains irremediably impervious to French-Canadian nationalism. I still believe that the only political formula likely to provide both national communities with the required relative autonomy and guarantee them the conditions of cultural self-determination would be to entrench in a new constitution the concept of two nations and their association in a renewed confederation.

We must be grateful to the Laurendeau-Dunton Commission in its preliminary and subsequent reports for not trying to conceal the fact that the Canadian reality is still from the ideal from which it draws its inspiration. In its preliminary report the Commission dealt plainly with the crisis and the increasing perils which threaten Canada. A main point emerged: the ambiguity of the Canadian ideal resulted in Canada being defined until now in different, and even contradictory terms. Francophones have traditionally insisted on Canadian duality, Anglophones on Canadian unity, ethnic minorities, integration or diversity. French Canadians believed in equality; English Canadians held up the concepts of majority and minority; the other ethnic groups hesitated between multiculturalism and complete assimilation. Quebecers make up a community whose majority is composed of—

Mr. Lambert (Edmonton West): Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Ethier): The hon. member for Edmonton West on a point of order.

Mr. Lambert (Edmonton West): Mr. Speaker, I insist on the fact that the hon. member for Matane does not have the right to read his speech in the House. It is a rule established long before the protesting hon. members opposite came here. Further, I insist so that the hon. member whose representations I respect—

[*English*]

The hon. member for Vancouver-Kingsway (Mrs. Holt) has no lesson to make to me.

[*Translation*]

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mrs. Holt) wants to interrupt me. I simply want to tell her that if she wants to quote us as an example, that is not a reason to disregard the Standing Orders. If she means that the hon. member for Matane or the Chair insist that we should have in this place prepared speeches on all occasions, then we have the Standing Orders. The assistant whip of the Liberal party can say in his lack of knowledge that we have the right to use and abuse speeches prepared by some researchers. If the hon. member for Matane—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Lambert (Edmonton West): If the hon. member for Matane—

The Acting Speaker (Mr. Ethier): Order. The hon. member has set forth his views. In Beauchesne's *Parliamentary Rules and Forms*, citation 144, it is said that hon. members cannot read a prepared speech in the House. He can quote some notes from time to time and the Chair had the impression that the hon. member was doing so. If he reads from a speech, I hope he will simply follow his notes and continue his speech, but he should not read it.

Mr. Lambert (Edmonton West): May I make a comment Mr. Speaker? The hon. member did not make any correction—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Lambert (Edmonton West): Mr. Speaker, the hon. member did not make a single correction.

[*English*]

The Acting Speaker (Mr. Ethier): The hon. member for Nickel Belt (Mr. Rodriguez) on a point of order.

Mr. Rodriguez: Mr. Speaker, I find the points being made by the hon. member for Edmonton West (Mr. Lambert) to be phony.

Some hon. Members: Hear, hear!

Mr. Rodriguez: It is absolutely phony for that member to get up in the House and comment upon a member on the opposite side reading his speech when we witnessed a whole line of Tories reading their speeches this afternoon.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, I would suggest to the hon. member that he take the beam out of his own party's eye before he starts taking the speck out of somebody else's eye.

Mr. Lambert (Edmonton West): This from the greatest reader in the House—

The Acting Speaker (Mr. Ethier): The hon. member for Vancouver-Kingsway (Mrs. Holt) rises on a question of privilege.

Mrs. Holt: Mr. Speaker, I feel that since I have been attacked here, and other backbenchers who have only been here one term are attacked—

Mr. Lambert (Edmonton West): Two terms.

Mrs. Holt: One term, two sessions. Mr. Speaker, it is wrong that we are insulted here. Maybe it is time there was new blood in this House; the old blood is running tired.

The Acting Speaker (Mr. Ethier): Order, please. I would ask hon. members to curb their remarks and let the hon. member for Matane (Mr. De Bané) continue his speech.

[*Translation*]

Mr. De Bané: Quebecers make up a community whose majority is composed of francophone Canadians. This Community has its own history, its own institutions, its own culture, its own way of life, its own values and its members are linked by unbreakable ties. We can therefore talk about a Quebec society or a Quebec nation. Each Canadian province has indeed its own people which differ from those of the next, but it is only in Quebec that it is possible to find a nation, in the sociological sense of the word. Whether we like it or not, Quebecers see themselves as Quebecers first, Canadians second. There are of course other nations in Canada, the Eskimos, the Indians. It is not the existence of a Quebec nation which is questioned here, but the principle whether every nation has the right to be necessarily independent, without consideration for any other nation.

The people from Quebec have always been nationalists. Before the sixties, Quebec nationalism was rather conservative, arising largely from a defence reflex and from an insecurity feeling which we must not be ashamed of. Any people in the world in the same situation as Quebecers would have behaved in a similar way. As for the new nationalism, its history is still too recent to enable us to place a final label on it. However, it seems much more dynamic than before, more open, in a word, more positive. One thing is certain, it is here to stay. All those who think that the mixing of ideas and initiatives which has taken and is still taking place in Quebec is a temporary phenomenon are making a big mistake.

We do not argue that each Quebecer as an individual is clearly aware of all those differences we are trying to emphasize. We do not contend either that all Quebecers unanimously agree on political measures to take. On the contrary, there are considerable differences of opinion. This is quite normal. However, the fact is that the Quebec society represents a separate entity and gradually, it understands that its full development requires a certain freedom and the presence of psychological conditions which are not present now.

One can always argue, through ignorance or to alleviate one's conscience, that within the present constitutional framework Quebec can act almost as it wants in areas under its jurisdiction and that it rests with it to assume all its responsibilities. This line of thinking, which reassures those who are concerned about possible changes, is deceitful. It is only true for legislative matters which undoubtedly are and have always been recognized by everybody as being under the exclusive jurisdiction of the province.

We are confronted by the following situation. On one hand, the Quebec society wants to assert its authority, find its identity, do what it wants within the Canadian framework. This movement is not only powerful but it is here for good. On the other hand, the basic law of the land, that is the Constitution, which should normally determine the rules of the game and to which we should be able to refer to whenever there is a dispute, is outdated, inappropriate, both in its form and its content and above all, it entirely ignores the existence of a distinct Quebec society.

As I am running out of time, Mr. Speaker, I should like to conclude my remarks with the following quote from Arnold Toynbee:

> If a generally happy future awaits humanity, then I willingly predict that there is hope, in the old world for the Chinese . . .

Mr. Speaker, I think that—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. I think we should give the hon. member for Matane (Mr. De Bané) the opportunity to finish his remarks.

● (2130)

[*Translation*]

Mr. De Bané: Mr. Speaker, I shall refrain from using unparliamentary language. No, let us continue to overlook what has just been said.

And now to go back to Arnold Toynbee. He said, and I quote:

> If a generally happy future awaits humanity, then I willingly predict that there is hope, in the old world for the Chinese, in the island of North America for the French Canadians. Whatever the future holds for humanity in North America, I am almost sure that those French-speaking Canadians, at all events, will still be there when the adventure comes to a close.

No matter how one envisages the Quebec fact, one realizes that there is no other solution for that people but to continue to endure and fight for its survival.

The Acting Speaker (Mr. Ethier): I am sorry to interrupt the hon. member but his time is over.

[*English*]

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, I can assure you that these notes I have here are just to be of psychological assistance to what will be an extemporaneous speech.

● (2140)

First, I join with my colleagues in congratulating the mover and seconder of the Address in Reply to the Speech from the Throne.

Mr. Hnatyshyn: He didn't read that.

Mr. Jarvis: Second, Sir, I extend my sincere congratulations to you. I hope that we, your colleagues in this House, will be the benefactors of your wisdom, good nature, and understanding during the second session of the present parliament.

Mr. Rodriguez: He didn't read that, either.

Mr. Jarvis: I am all right so far, John. Third, I extend good wishes to the newly appointed Minister of the Environment (Mr. LeBlanc), who is combining that responsibility with the responsibility for fisheries. I came to know him when he was minister of state responsible for fisheries. I enjoyed that association and certainly respect and admire him. I particularly wanted to say that, because I think what I said reflects the views of most members of this House. More important, much of what I shall say tonight, and I shall confine my remarks mostly to the environment, could be interpreted by some as a personal attack on the minister. That is certainly not my intention. I wish to make that very clear.

I deplore the appointment of a minister responsible for both fisheries and the environment. The combination of these two responsibilities is, in my view, and the view of members in all parties, I believe, a regressive step. It is retrograde, that is, it is a step backward, not forward. I believe that this regression is emphasized when a government appoints a former minister of state responsible for fisheries as Minister of Fisheries and the Environment because, immediately, there is a perceptual problem. It is this. Such a minister will be perceived as being preoccupied with those responsibilities concerning fisheries, to the detriment of the challenging problems concerning his environmental responsibilities. He will be perceived in that light, accurately, I suggest, by many in this country. The jobs are conflicting ones, by their very nature. The hon. member opposite from the west coast should know that because, of all provinces of this country, British Columbia ought to be most concerned about the preservation of its delicate environment.

What I am tempted to say, at least in a moral sense, is that there is a conflict of interest. But I shall content myself with saying this: these two interests, fisheries and the environment, often by their nature are in an adversary position. How then can these interests be served adequately by one minister?

The Prime Minister (Mr. Trudeau) himself has been known to say, for example, with respect to the departments of agriculture and consumer and corporate affairs, that the adversary approach is a welcome one and healthy one. I have no quarrel with that statement but I would be interested in knowing how the right hon. gentleman could justify the combination of responsibilities for fishermen and for environmentalists under one minister as acceptable, welcome or healthy.

Mr. Hnatyshyn: He misjudges the people of Canada.

Mr. Jarvis: I personally was not content to have a minister of state for fisheries on the one hand, and a minister of the environment on the other, within the same department. Although I may not have been content, at least that situation was far better than the present situation whereby one minister exercises dual responsibilities. Therefore I say to the Minister of Fisheries and the Environment, through you, Mr. Speaker, that I reject categorically the wisdom of this particular appointment, without any reflection whatever on the hon. member who at present is undertaking these responsibilities.

I believe the opportunity to serve both interests has been weakened, and weakened seriously. I suggest again, because it demands our emphasis, that the present minister, because of his previous responsibilities, is perceived as being more preoccupied with fisheries than with the environment.

The problem is much more serious than a merely perceptual one. As is well known, the party for which I speak tonight has long adopted the position—

An hon. Member: The hon. member is wearing his glasses.

Mr. Jarvis: Mr. Speaker, I would welcome the intervention of the member from British Columbia with respect to the environment.

Mrs. Holt: Mr. Speaker, I regret rising on a point of order because the hon. member is making a favourite kind of speech, but just a few minutes ago a former Speaker of this House made a great scene in the House. The hon. member opposite had to put on his glasses to read his speech. The hon. member on my side already wore glasses.

Mr. Jarvis: Mr. Speaker, I hasten to assure the hon. member that, if I could, I would wear contact lenses; and if that would offend the hon. member less I would make every effort to do that.

Mrs. Holt: Mr. Speaker, nothing was said to the hon. member opposite, yet the hon. member made it impossible for us to hear the speech made by the hon. member on my side—

The Acting Speaker (Mr. Ethier): Order, please. I think the Chair gave ample time to the hon. member for Matane (Mr. De Bané) to finish his speech. Perhaps hon. members will afford the same courtesy to the hon. member for Perth-Wilmot (Mr. Jarvis).

Mr. Jarvis: I thank the hon. member for her intervention. I was about to quote the Prime Minister. I hope she will not object—because I would hate to misquote him.

Mr. Hnatyshyn: It's impossible to paraphrase the guy.

Mr. Jarvis: For some years it has been the position of my party that not only should there be two separate ministers fulfilling these responsibilities, but that there should be two departments, distinct and separate, one for fisheries, and one for the environment. We repeat that position. We see no reason at all to change our position in this regard. We made our views known some years ago and events since then have only reinforced our belief, namely, that this is a proper and justifiable position.

It is apparent to us that the government is either unaware of the basic difference of these two departments or, in the alternative, is so completely indifferent to their individual importance that it chooses to reject the national and international implications connected with the operations of these two units of the government.

Surely one need not be an expert to appreciate that the nature of fisheries is economic, social, and even cultural. On the other hand, one does not need great perceptual insight to appreciate that with respect to the environment we are dealing basically with scientific research. By their very nature, activities concerning fisheries and the environment should be distinct and separate from each other. In ignoring this fact the government has undoubtedly weakened both sectors, at a time, unhappily, when both should have been strengthened.

One might say that combining these two activities under one minister is justified in terms of restraint. If the government had so ordered its economic priorities as to indicate some justification for this unification of function that would have been fine. But those priorities have not been made known; they have not been forthcoming. It seems to me that, in the absence of such justification, and having regard to the size of the present cabinet, such alleged restriction in government spending can only be an excuse for this combination, not a reason. Only the government's unwillingness to embark on progressive action and to undertake its responsibilities in the fields of fisheries and the environment has led it along this course.

If I have time I shall return to this topic and deal with the very structure of the department. At the moment I want to deal with what the Speech from the Throne had to say about the environment. I suppose hon. members opposite would be only too happy if I said absolutely nothing about the topic, because that is exactly what the Speech from the Throne said—nothing. It said absolutely nothing about the environment. We heard of the necessity to place further emphasis on research and development of renewable energy resources, but nothing about measures to regulate exploration and development on federal lands. Again, no mention whatsoever was made of environmental concerns. Yes, we did hear about native peoples' land claims in the James Bay region, but nothing about environmental concerns in that important region. We even heard about our international responsibilities in terms of environmental protection, but nothing about our national responsibilities—and all this from a government which has professed over the years to be concerned about our environment.

In the throne speech of September, 1968, the government talked about the broad importance of the problem of pollution. In October, 1969, in his speech following the throne speech of that year, the Prime Minister spoke about the increasing concern with regard to the environment, about the ruthless destruction of a landscape and the useless pollution of air and water. He spoke of determination to overcome noise, noxious fumes, and the pollution from industrial waste, and said:

> First of all, we will never sacrifice, in the name of progress, a clean and healthy environment to industrial or commercial development.

The year 1970 was a vintage year for the environment. The Speech from the Throne had this to say:

> Pollution is a many-headed hydra and requires action in many forms. You will be asked to consider bills intended to deal with pollution in two of its aspects: in the ocean and in the atmosphere. More pressing than any single step or steps, however, is the need to co-ordinate and consolidate our efforts in an effective fashion. There will be proposed the establishment of a department to be concerned with the environment and the husbanding of those renewable resources that are a part of and dependent upon it.

This was welcome news for the hon. member for Halifax (Mr. Stanfield) who then was leader of the opposition.

● (2150)

The then minister of fisheries was absolutely glowing on October 15, 1970, when he said:

> Mr. Speaker, I want to say a few words this afternoon about the establishment of a new Department of Environmental Affairs, and I should like to say at the outset that shaping our Canadian environment is the biggest challenge we face in the 1970's. It is a bigger challenge than unemployment. It is a bigger challenge than inflation. It is a bigger issue than pensions or skyjacking or the FLQ. To many Canadians it is a bigger challenge than all of our financial and social problems put together.

It was the first minister of the environment who said that exactly six years ago last week. Since then it has been all downhill. In 1972 there was just passing reference made. In 1973 there was one brief reference in the throne speech. In 1974 the only reference was a wish to enhance the environment of cities and towns. In September, 1974, there was an almost seeming obsession with the environment. We had an overwhelming two sentences in the throne speech devoted to this subject.

If we need to look for any further evidence of the government's disinterest in the Department of the Environment we have only to realize that there have been four ministers in 24 months. Nothing in this government changes more than ministers of the environment, except economic policy. Therefore one can hardly be surprised at the lack of policy direction which results from this constant changing at the ministerial level.

This is all the more tragic when one appreciates that the Department of the Environment appeared to have been created in 1970 in an air of responsibility, concern, and even optimism. For the first time we recognized the inter-relationships among water, air and soil pollution. For the first time we acknowledged the importance of environmental considerations in planning government programs.

The Prime Minister on October 9, 1970, said that the new department was intended, and I quote:

—to bring under the direction of a single minister the principal government activities relating to environmental quality in general, and pollution in particular.

Six years ago Canadians believed we were on the right track and the government was indeed concerned about this problem. I take no satisfaction in saying that perhaps the creation of the Department of the Environment was really little more than another of the Prime Minister's intellectual daydreams or, perhaps more accurately, his reaction to the situation in the 1960's when environmental concerns were the fashion of the day, a fad, an emotional reaction, and sometimes even over-reaction in the sixties, mainly by young people and community activists who found a convenient and sometimes temporary cause, who found activities that were attractive to the media and politicians alike. I do not say this unkindly because it was their idealism and enthusiasm and vigor that gave birth to the environmental movement of today. However, a decade later the same situation does not exist and the government, with a great sigh of relief, says to itself well, thank heavens, we need not worry about environment any more.

What the government has failed to realize is that environmental concerns have not gone away. They have, in a short ten years, matured remarkably. Community groups, instead of fishing rubber boots out of rivers, are working with research scientists in our universities. Whole new faculties of environmental sciences have sprung up. Protest marchers of the sixties now prepare educational video tapes, and work quietly but effectively with our school children, service clubs, and so on.

Pollution protest rallies have been replaced by national and international environment seminars. Pollution protesters have become planners, and I commend them for it. May I give two examples.

In my riding of Perth-Wilmot an environmental group formed by students at Northwestern Secondary School is involved in the concerns resulting from the planning of new hydro lines and highways.

On a national scale I point out the Canadian Wildlife Federation which, ten years ago, with a two-man staff, preoccupied itself with writing protest letters and briefs to elected representatives. Today that federation, at the national level in research staff alone has a staff of eight, including a biologist, an environmental scientist, and an economist, all with high academic credentials. In addition they have an impressive inventory of research people and are now preoccupied with the environmental planning process. They are able to challenge professional scientific reports on such difficult subjects as the MacKenzie Valley pipeline and the Garrison dam.

It is tragic that the government has not matured along with those it purports to represent.

I might mention that this department must preoccupy itself with environmental concerns. A few of these, in no particular order of priority, are coastal ocean petroleum drilling, shipping and the handling of hazardous cargo, environmental protection of the north, protection of the ozone layer and other atmospheric concerns, water quality and quantity problems, and nuclear waste disposal. Other challenges are found in the department's relationship to other governmental bodies, such as other departments and other governments.

In offshore drilling, for example, we find Energy, Mines and Resources responsible in areas south of the sixtieth parallel; Indian and Northern Affairs responsible north of sixty; provincial governments likely responsible within three or 12 miles off our coasts, and federal responsibility beyond these limits.

In terms of its responsibility with regard to relationships with provincial governments, the conflicts and the problems are limitless. At the federal level maybe we have assumed too much responsibility, for historic reasons which now have disappeared. Now certainly should be the occasion for this department to have the time and resources to examine whether other governments, particularly provincial governments, should become more active, or may indeed wish a more vital role in environmental matters.

There is one other matter. No department could welcome more the freedom of information policy than the Department of the Environment. I commend them in terms of the Beaufort report which they released to concerned municipalities. It would bring great credit to this department if they would pursue such a policy without the compulsion of the proposed legislation.

Finally, Mr. Speaker, there is a challenge to be faced in terms of the difficulties of melding what have been essentially individual approaches to particular resource issues into major environmental objectives and then fitting these objectives into national priorities.

I suggest to the new minister that this department need not of necessity be a homogeneous totally inter-related department. Some of the structural changes that I see in the department, in my judgment are not healthy and are not functioning well. I would point out to him as one approach that instead of looking for a homogeneous inter-related department, he might investigate—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Jarvis: Ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

BANK ACT—POSSIBILITY OF AMENDMENT FACILITATING APPOINTMENT OF WOMEN AS DIRECTORS

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the brief time I have at my disposal I want to demonstrate for the hon. member for Vancouver-Kingsway (Mrs. Holt) that I

am about to speak extemporaneously without the aid of mirrors or eyeglasses. I will try to make a point in which she will be very interested, that is, the question which I raised on October 15 with the Minister of Finance (Mr. Macdonald) in regard to faciliting the appointment of women as directors of chartered banks in Canada. I see my friend has stayed and will give me moral and actual support in the particular representation which I made to the Minister of Finance at that time.

The minister indicated in his response, in a positive but rather general way, that he would be giving some consideration to an amendment to the Bank Act which would allow women to be elected more easily as directors of our chartered banks. He also referred to the fact the amendments might also make it easier for other people in our country to become bank directors.

I see the parliamentary secretary is here representing the minister. I want to bring to his attention some information which he may in fact be possessed of already, but which I alluded to in my question.

A study was sponsored by the Advisory Council on the Status of Women and the Canadian Bankers' Association, and prepared by Marianne Bossen, entitled "Employment in Chartered Banks: 1969-1975." In 1975, 122,572 men and women were employed by all branches of the chartered banks in Canada. At least 72 per cent of these employees were women. Marianne Bossen reports that the position of women in the banking industry has improved both quantitatively and qualitatively since 1969. This is principally because of the rapid expansion of the banking industry in those years.

● (2200)

According to this study, some banks have introduced more enlightened policies and the measure of responsibility given to women at every level has increased. Be that as it may, the study notes that in 1975 no women earned more than $30,000 a year, whereas 442 men did; only three women earned more than $20,000, while 1,279 men did; 32 per cent of the women employed earned between $6,000 and $6,900, while 73 per cent of them earned less than $8,000.

The other statistic I should bring to the attention of the House is this: as of October, 1976, six women hold corporate directorships in chartered banks compared with a total of 220 men who are directors of Canada's five big chartered banks.

My colleague, the hon. member for Fundy-Royal (Mr. Fairweather), who is the spokesman for our party on the status of women, has this session brought forward a private member's bill which would have the effect of repealing subsection (2) of section 18 of the Bank Act thereby removing the necessity for a bank director to hold a prohibitively costly amount of stock in order to qualify. This is really the nub of the problem. The removal of that subsection would democratize directorships of the chartered banks, and I believe it is not asking too much to urge the government to consider bringing in the necessary amendment. The government would find all the opposition parties agreeable to making a quick disposition of the legislation.

[Mr. Hnatyshyn.]

I hope the minister and the government will not wait until the white paper on banking has been considered and we go through the whole rather tedious and lengthy process of considering revisions to the Bank Act now that the ten-year period has expired. I see the parliamentary secretary is ready to stand up and say that this amendment will be brought in during the present session. At least I hope that this will be the case.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, representations in favour of the bill to which the hon. member referred have not come only from the other side of the House. I am glad to tell the hon. member that similar representations have come from this side of the House, as well as from officials responsible for advising on the status of women.

The advancement of the status of women is a major goal of the government, as has already been shown in many ways. Laws which discriminated against women have been changed. A human rights code has been proposed to afford recourse to women when they are the victims of discrimination in areas where the federal authority can reach. As to the deplorable statistics about banks which the hon. member put on record, I am glad to remind him that banks are under federal jurisdiction and that this human rights code will cover banks. I hope the code will receive rapid passage.

I am not proud to remind the House that in 1970, when the Royal Commission on the Status of Women made its recommendations, there was only one woman in the SX category of the Canadian public service. But today there are 30. This has been the result of positive action to give women a fair chance. In order in Council appointments, women have also begun to get the recognition that simple justice requires.

The government has also campaigned actively to change public attitudes which have been a large factor in holding women back. How far the public attitude has progressed was shown by the genuine and healthy outrage felt toward the dinosaur attitudes of some conservative bankers. To their credit the bankers have quickly learned something of the consequences of writing off half of our population as possible directors of banks. The Canadian people simply will not accept rationalizations for the absence of women from bank boards.

The white paper on banking legislation proposes specific qualifications for directors in line with the general corporate law, and this may obviate the need for substantial, direct financial interest in a bank by its directors. This will help to open the door to many capable women who cannot now qualify. As the minister said in the House, we are ready to look at the question as the new legislation proceeds.

SOCIAL SECURITY—RECIPROCITY OF PENSIONS BETWEEN CANADA AND CERTAIN COUNTRIES—REQUEST FOR REPORT ON NEGOTIATIONS

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I rise tonight because of an unsatisfactory answer that I received to a question that I asked today about amendments in the proposed old age security bill.

Mr. Knowles (Winnipeg North Centre): You mean yesterday.

Mr. McKinnon: Yesterday. I should like to put on the record a bit of the history of this bill. On April 14 the Minister of National Health and Welfare (Mr. Lalonde) announced that he was going to bring in legislation that would enable us to have reciprocity of pensions between Canada and some western European countries, including the United Kingdom. On October 13, as soon as parliament resumed, my hon. friend from Hamilton West asked the minister when he was going to bring in the bill affecting, among other things, residency and reciprocal agreements affecting persons who have earned pensions overseas. The answer then, believe it or not, was as follows, as reported at page 19 of *Hansard:*

> The bill is being drafted and I hope I will be able to table it in the House for first reading in the next few months.

Those are the words of the Minister of National Health and Welfare on October 13, almost exactly the same words as he used when on April 14 he was boasting that he was going to bring in this bill in the next few months.

This caused me to ask my later question about the bill, and it also caused me to include this subject in my speech on October 15 when I pointed out that, according to the minister, he said that the project had been discussed with his colleagues, if he remembered well, at the last federal-provincial conference held in June and no objection was made to the project either at the June conference or afterwards. He went on to say that consequently he thought we could undertake with confidence a study of this project.

As the days go by and the situation gets worse, not only does he not have the bill ready but the minister is talking about having a study of the project made. This is a very serious situation, Mr. Speaker. If one considers the twin devils of inflation and devaluation, particularly so far as people who came here from Britain a few years ago are concerned, one can realize the desperate circumstances in which they find themselves today.

I had some research on this subject done today and I should like to point out the following. A couple who came to Canada in 1965 on a pension of 100 pounds sterling a month would have drawn a cheque worth $301. The cost of living then stood at 80 in the consumer price index. Today that same pension cheque would be worth $161, barely half what it was worth in 1965, and cost of living on the same scale has gone from 80 to 150. This means that this couple would be able to buy only one third of the items they were able to buy 11 years ago.

What have these people done to deserve a fate like that? These are the very people that we maintain are the rockbed of our society, people who saved to pay into a pension plan so they could comfortably survive in their old age. What have we done to them? We have taken away two-thirds of the value of their pension.

• (2210)

The hon. member for Esquimalt-Saanich (Mr. Munro) and I have been writing letters to the Minister of National Health and Welfare about this subject since the first day we came to the House. We have received nothing but procrastination and put-offs from him. First he blamed the British for not making their pensions convertible. Both the hon. member for Esquimalt-Saanich and myself wrote and asked the British government what was the holdup. The reply we received indicated that the holdup had resulted because the Canadian government was dragging its feet on this matter.

Let me go back to this set of tables to point out what has happened in the last four years since we came to parliament. Some four years ago this mythical couple had an income of $263 a month when the cost of groceries was $106. In only four years their cheques have decreased from $263 to $161, while the cost of their groceries has increased from $106 to $150. The cost of groceries has gone up about 50 per cent while the pension has gone down something like one third. It is absolutely impossible for these people to go on this way.

I was taken in on April 14 by the minister. I believed he was going to bring this legislation in, as he said, in a few months. We had a summer recess of a few months and it should have been the most simple thing in the world to get the bill ready. Now the minister says the bill is being drafted. I thought it was being drafted on April 14. When I was questioned by my constituents I said I trusted and believed the minister and thought the bill would be in probably the day we got back to parliament. Instead the government has spent the summer drafting a bill to amend the Historic Sites and Monuments Act. That is apparently the priority of the government, not the senior citizens, or the people trying to exist on pensions that have been cut in half at a time when food costs have increased 50 per cent.

The government is apparently very much concerned about spending its time contemplating the bill on historic sites and monuments, which was given first reading today, whereas the bill in respect of pensions, according to the minister, is being drafted, had he hopes to be able to introduce it in the House for first reading in the next few months.

Can the parliamentary secretary give any hope to these people that this year, perhaps before Christmas, they will be able to get a pension equivalent to the one they were getting when they came to this country ten years ago?

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for Victoria (Mr. McKinnon) for this question. I think we all share the desire to get this thing out of the way. I do not think I can give him the assurance that it will be out of the way by Christmas, but I can certainly assure him that it will be within a few months, perhaps shortly after Christmas.

In announcing on April 14 the government's intention to amend the Old Age Security Act the minister indicated that one of its effects would be to enhance Canada's ability to enter into international social security agreements. As the act now

stands it does not provide for international agreements, yet the several countries which have expressed an interest in having reciprocal social agreements with Canada have all insisted that the OAS program be included in such agreements alongside the Canada Pension Plan. This has complicated the whole issue.

It follows, therefore, that the negotiation of such agreements cannot be undertaken until the proposed legislation amending the Old Age Security Act has been enacted by parliament. I would add that, taken as a whole, the proposals formulated by other countries to date cover the whole field of social security as understood in Europe. In the Canadian context, international agreements could, therefore, involve programs which come under provincial jurisdiction, such as workmen's compensation and hospital and medical care insurance. Hon. members will be happy, therefore, to know that considerable progress has been made both in the drafting of the amendments to the OAS Act and in the necessary interdepartmental and federal-provincial consultations.

Several hon. members, both orally and in writing, have requested an indication of those countries likely to be involved in such negotiations. Our tendency would be to negotiate first with those countries which have been pressing Canada for agreements—the United Kingdom, Italy and the United States—since the highest number of potential beneficiaries residing in Canada would be covered by agreements with those countries.

France also might be included in this list, having shown some interest. I wish to emphasize, however, as the minister did in the House on April 14, that Canada is prepared, in due course, to enter into agreements with all interested countries whenever this is in the interests of Canada and of residents of Canada. In conclusion, I hope that within the next few months this bill will be proposed and will be put through the House.

Mr. Knowles (Winnipeg North Centre): Why not next week?

SEARCH AND RESCUE—DATE OF TABLING REPORT OF TASK FORCE—REQUEST FOR IMPROVEMENT IN OPERATION OF SERVICE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, it is nice to note that there are two members on the government side here tonight. My topic concerns the unfortunate and tragic loss of 13 seamen some 60 miles off the southeast coast of Newfoundland and the slow reaction in response to the distress call of the motor vessel *Gabriella*, which prompted my question yesterday, along with that of my colleague from St. John's East. We request again, in addition to the many representations we made during the last session, that our air search and rescue capability be expanded and, more specifically, that elements of the force be deployed to the province of Newfoundland.

For too many months now we have been hearing the same answers from the minister. On December 5, 1975, the minister related to me in a letter that the review of the national search and rescue policy had been completed and that the necessary implementation documents were being prepared in consultation with the Department of National Defence, and that he expected that the revised policy would be ready for submission to Cabinet in April of 1976 following approval by himself and his colleague, the Minister of National Defence.

Then in April of this year it was noted in the minister's release that a Canadian coastguard task force had reviewed the national search and rescue policy and that the revised policy was expected to be ready for submission to cabinet by mid-1976. But here we are in late October, with winter upon us, and no progress, while we are concerned that a repeat of last year's incidents are imminent.

I realize that the implementation of a co-ordinated operation order must be thought out carefully. I realize also that the funding required for the expanded responsibility both in hardware and manpower will be immense. But I say as strongly as I can that there is no reason why part of the force capability cannot be deployed closer to the action. Notwithstanding the minister's reply that the coastguard facilities could not be everywhere awaiting an accident, which would be impossible, surely the almost five-hour period of reaction time from the mainland in the lastest incident, and similar experiences last year, would suggest that attention should be given to the stationing of helicopters in the province of Newfoundland.

Certainly when we consider that we are talking about lives, even with the argument that it would not be of any advantage to have an air search and rescue presence in Newfoundland, it is worth a try for at least a year to see what the result would be. Certainly the stationing of a crew in western central and eastern Newfoundland is worth while if it could prevent the loss of lives. I note the following statement in the minister's release:

> It has become evident that, in spite of the provision of additional resources, facilities and co-ordination capabilities over the years, the marine search and rescue organization is no longer adequate.

I hope the minister will discuss this with his colleague responsible for the Department of National Defence.

● (2220)

Time does not permit me to go into detail about the coastguard sea rescue capability but I am interested in an item in the release which states that one of the areas which will receive immediate attention is that dealing with a proposed voluntary coast guard auxiliary and that implementation guidelines would be available this summer. Here we are in October and there are no implementation guidelines.

I should like to make a suggestion to the parliamentary secretary to give to his minister. I think it is worthy of consideration and will have some merit in the planning.

The nature of Newfoundland lends itself to sea orientation, and I suggest that the minister should consider the establishment of an adjunct to the coast guard college to train our youth for careers in the coast guard to supplement the permanent establishment which will be created and, what is more important, to provide employment in line with the job creation

thrust that is due to be announced. More than adequate accommodation is available—it was left to the province by the United States air force—as well as more than adequate classroom space, and all the other infrastructure support that is required. I understand, after checking with the staffing officer at the coast guard college, that they received far more applications than they have vacancies.

I hope the minister will consider this suggestion in line with the expansion of the coast guard, and I hope I will receive a positive response to my proposal for the immediate tabling of the task force report by the Canadian coast guard, and immediate consideration to deploy elements of air search and rescue in Newfoundland so as to ensure that the proper precautions will be taken to alleviate the situation, and proper action will be taken to prevent accidents from occurring in the future.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I must say in opening my remarks that I appreciate the opportunity that I have tonight to reply to the comments made by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). This first late tête-à-tête for this session will be followed, I am quite sure, by a number of similar occasions in the months ahead.

In reply to the question raised by the member opposite may I, Mr. Speaker, very clearly repeat the response given twice thus far in this session by the Minister of Transport (Mr. Lang), the first time in reply to a question put to him on Monday, October 18, in the House by the hon. member for St. John's East (Mr. McGrath), and the second just yesterday in reply to the hon. member for Humber-St. George's-St. Barbe. The minister indicated very definitely that an announcement was imminent in regard to the Canadian Coast Guard and search and rescue.

One must appreciate that because of fiscal decisions which are taking place, and the resulting decisions in terms of improved equipment and its location, the hon. member should bear with us and await the announcement that has been promised.

Again in the case of deployment of search and rescue forces I want to give the same assurance that was given by the Minister of Transport that it is our intention to deploy our search and rescue resources in the places where they are going to be most useful.

In conclusion I should like to congratulate the hon. member who raised the question, and I want to assure him that the government will give full consideration to his suggestion.

The Acting Speaker (Mr. Ethier): A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.26 p.m. the House adjourned, without question put, pursuant to Standing Order.

80001—24½

HOUSE OF COMMONS

Friday, October 22, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

REQUEST FOR TABLING OF DOCUMENTS RELATING TO ESTABLISHMENT OF URANIUM REFINERY IN SASKATCHEWAN—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In view of the acquisition of options by Eldorado Nuclear Limited of land in the Warman, Saskatchewan area near Saskatoon for the construction of a uranium refinery, and in view of the veil of secrecy imposed on this project by the NDP government of the province of Saskatchewan and the Liberal government of Canada, I move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

That this House direct the Minister of Energy, Mines and Resources to immediately table all documents relating to the establishment of a uranium refinery in the province of Saskatchewan, including agreements with the province of Saskatchewan, environmental impact studies and material relating to the operation and function of the proposed refinery.

Mr. Speaker: Such a motion requires unanimous consent pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

PROPOSAL TO PROVIDE WORK FOR BRITISH COLUMBIA SHIPYARDS—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. In view of the fact that many of the shipyards in British Columbia have laid off up to 90 per cent of their work force because of lack of contracts and the industry is in its most depressed state since the great depression, and in view of the fact that Canada's 200-mile economic zone will be effective as of January 1, 1977, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House request the Minister of Supply and Services and the acting Minister of National Defence to present to this House within the next two weeks their proposals for a Canadian ship construction for defence and search and rescue in the new economic zone and that firm contracts be let for such construction at least prior to January 1, 1977.

Mr. Speaker: The provisions of Standing Order 43 require the unanimous consent before the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

EXTERNAL AFFAIRS

REQUEST FOR ACTION TO SECURE RELEASE OF SHARON BETHUNE FROM MEXICAN JAIL—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, this matter was brought to the attention of the House by the hon. member for Burnaby-Richmond-Delta. Pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the fact that Miss Bethune, daughter of longshoreman Ray Bethune, has been incarcerated since February in a Mexican jail, and since her father has spent some $18,000 to obtain a hearing or a release, I move:

That the Department of External Affairs, after discussions with the Department of Justice and through the Secretary of State for External Affairs, protest in the strongest terms to the Mexican authorities that Miss Bethune be given an immediate hearing and, if innocent, be released from the deplorable jail conditions in which she is incarcerated, as a result of which she is subjected to indignities and conditions similar to those experienced by other Canadians, now and in the past, in that nation.

Some hon. Members: Hear, hear!

Mr. Speaker: Order. The terms of Standing Order 43 require the unanimous consent of the House before the presentation of such a motion. Is there unanimous consent?

Some hon. Members: No.

* * *

ATOMIC ENERGY CONTROL BOARD

PROPOSED JUDICIAL INQUIRY INTO COMPETENCE OF BOARD—MOTION UNDER S.O. 43

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask leave to move a motion on a matter of urgent and pressing necessity. In view

of the lack of a full and ongoing survey by the Atomic Energy Control Board for possible radioactive contamination at Elliot Lake and other communities in Canada, the lack of disclosure of recent test results by the AECB in Elliot Lake and the threat to human health as a result of the negligence of this government agency, I move, seconded by the hon. member for Yorkton-Melville (Mr. Nystrom):

That this House instruct the government to institute a special judicial inquiry into the activity and competence of the Atomic Energy Control Board.

Mr. Speaker: Such a motion would require unanimous consent pursuant to Standing Order 43. Is there unanimous consent?

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

GOVERNMENT ADMINISTRATION

REQUEST FOR EXPLANATION OF CRITICISM OF ACCOUNTING PRACTICES BY AUDITOR GENERAL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question to pose to the President of the Treasury Board: it arises out of yet another in the continuing series of specific criticisms advanced by the Auditor General in connection with the government's financial management and control practices. Having regard to the latest revelations in the public accounts of Canada, volume one, in connection with the government's accounting practices, may I ask the hon. gentleman whether he will provide to the House a full explanation with reference to this latest condemnation of the government by the Auditor General and will he, specifically, explain the questionable practice of including uncollectable loans to Crown corporations and foreign states so as to overstate the government's financial picture, all of which is tantamount to cooking the books by $7 billion, thereby misleading parliament and the people of Canada?

Hon. Robert K. Andras (President of the Treasury Board): The hon. member, in his excitement, has rather overstated the case; I think that in his own mind, he knows this. The loans to the Canadian National Railways, the Harbours Board and the St. Lawrence Seaway Authority represent investments in capital facilities which are of great importance. They certainly contribute in a vital manner to the transportation facilities of Canada. In every one of those cases it was hoped that those improved facilities would result in an increased economic return which would service the debt. In any case, the primary purpose of the loan has been served. Most certainly, one could not argue that. We had to provide harbours where they were needed. The new waterway was required and it has been beneficial to the country. I do not think anyone would argue that it is not important to maintain and expand the CNR.

[Mr. Symes.]

The issues raised by the Auditor General have been raised in earlier reports from his office and, as a result, it was included among the studies of the accounts of Canada carried out by the Treasury Board. As a result of that study, participated in by the public accounts committee, attempts have been made to rationalize those accounts with respect to these loans.

The Auditor General also makes comments about the loans to the Unemployment Insurance Commission which is a different matter altogether. It is not in the same class as the others because repayment is made in the immediate following year. So, Mr. Speaker, these are accounting problems that have been recognized for a long, long time which do not lend themselves to very easy or simplistic solutions.

Mr. Mazankowski: A supplementary question, Mr. Speaker. I am certainly not one to argue with the professional views and opinions of the Auditor General. I think it is significant that he saw fit to include these rather questionable practices in his report. It is quite obvious from the remarks of the minister that—

Mr. Speaker: Order. If the hon. member has a question, would he please come to it?

Mr. Mazankowski: My supplementary question is this, Mr. Speaker. Since the evidence of the Auditor General and indeed the answer of the President of the Treasury Board clearly reaffirms the fact that the accounting practices of this nation are out of control, and indeed are undermining parliament's authority and distorting the government's true financial picture—

Some hon. Members: Hear, hear!

Mr. Mazankowski: —might I ask the President of the Treasury Board whether he will now personally intervene to examine the progress of the implementation of the Auditor General's recommendations which were advanced in his latest report, and would he tell the House precisely what is happening to these recommendations? Because it is quite obvious from information that we have, and from information contained herein, that clearly the recommendations are not being implemented in accordance with the agreement that was undertaken by the President of the Treasury Board, and indeed by the former President of the Treasury Board. Would the minister undertake to clean up the mess that was left by his predecessor and his predecessor's predecessor?

Mr. Andras: Mr. Speaker, I think I did reply in essence to the hon. member's question the other day when I indicated that we do, of course, take the recommendations and indeed the criticisms of the Auditor General very seriously indeed. We recognize the need for improvement in both the method and facilities of financial control and management. This is something that I am taking under my wing and to which I am giving very high priority. In due course, of course, the measures to implement corrective action on all these fronts will be made known to the House.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I have a question which is supplementary to those of my colleague from Vegreville and it is directed to the same minister. As the minister has just agreed, these allegations are not new. The report of the public accounts committee of June indicated the problems. Therefore, would the minister agree that there is little use in our discussing in this House such things as televising parliament, reforming committee structures and strengthening parliament if the basic accounting of the country is so derelict that parliament has no control over spending?

Mr. Andras: Mr. Speaker, in candidly suggesting that there is a large area for improvement, I do not think it helps to be so grossly overstating the case as the hon. member is attempting to do now.

MEASURES TO CORRECT ACCOUNTING PRACTICES CRITICIZED BY THE AUDITOR GENERAL

Mr. J. R. Ellis (Hastings): A final supplementary question, Mr. Speaker. Since the throne speech promised that the government would provide the Auditor General of Canada with "better means of fulfilling his important function", if I am overstating the case would the President of the Treasury Board lay before the House all steps, including any new legislation necessary, which he is taking to put a stop to these sloppy practices? Surely this accusation of a $7 billion boondoggle demands an immediate and accurate answer in this House.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the legislation augmenting the facilities and strengthening and augmenting the independence of the Auditor General most certainly will be placed before the House in a very short time. The $7 billion boondoggle to which the hon. member refers really requires a great deal more analysis than has obviously been given it so far in suggesting any corrective measures that could be taken.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—REASON FOR FAILURE TO PROVIDE MEASURES TO ALLEVIATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Acting Prime Minister. Considering that unemployment in the country is scarcely new, having run in excess of 7 per cent for the past 18 months, and considering that independent forecasters are saying that for 1977 it will average 7.6 per cent and the same forecasters are saying that this winter it will hit upwards of 9 per cent, would the Acting Prime Minister explain why, during the summer, the cabinet could not come up with one proposal that could be implemented this fall to bring down the rate of unemployment during the coming difficult winter months?

• (1120)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I refer the hon. member to the excellent statement made in the House last night by the Minister of Manpower and Immigration in which the general employment strategy of the government is laid out.

Mr. Broadbent: Mr. Speaker, it is because I considered the speech the minister referred to with great care that I asked the question. Let me now switch to the minister who made that speech yesterday in the House. Given the fact that early in his address he gives a pious commitment on the part of the government to achieve full employment, but when we get down to the details half way through the speech we find there is nothing new to come into operation until the next fiscal year, can he tell us, as the new Minister of Manpower and Immigration, whether he really is assuming the appropriate responsibility to the people of Canada by taking on the old indolent attitudes of his predecessor?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, first of all I would commend greatly to the hon. member's attention the introduction to my speech where I paid glowing tribute to my predecessor for the tremendous number—

Some hon. Members: Oh, oh!

Mr. Cullen: —for the tremendous number of innovative measures that were introduced under his stewardship while in that particular portfolio. I remember one statistic, Mr. Speaker, regarding the LIP program, where 93,000 jobs were created over a very difficult winter period as a result of a program, not proposed by the NDP, but under the Local Initiatives Program. There was a myriad of other actions and steps taken by my predecessor recognizing the difficulties of unemployment without, hopefully, exacerbating inflation, as the hon. member's party seems to be advocating on almost a daily basis.

Mr. Broadbent: Mr. Speaker, the minister knows that if every job which is listed as being available in Canada were taken up by the unemployed there would still be more than 600,000 Canadians looking for work, so I do not think he should be complimenting his predecessor. I would ask the minister if he takes seriously the contention he made in his speech that "at the beginning of the 1980's" we are actually going to have a shortage of labour in Canada. Does the minister take this seriously and will he please explain to the House why he believes that? Would he also explain how that would be of any consolation at all to the more than 700,000 Canadians who are now looking for work?

Mr. Cullen: Mr. Speaker, once again I do not know where the hon. member was last night, but he obviously did not correctly read the statement. I indicated that we were more concerned with immediate problems of unemployment and pointed to the fact that in the early 1980's we would very likely face a shortage of workers rather than jobs. I indicated

also that there was not a sufficient number of jobs available, hence the double thrust of the policy, namely, to help unemployed people, particularly the young, to achieve the skills to fill the jobs that are already there, and that in the interim we have to go down another road, and that is one of direct job creation in areas of the country where there is high unemployment and where community projects should be carried out so that we can move in these particular areas to help.

* * *

[*Translation*]

ENERGY

NATURAL GAS—REQUEST FOR REPORT ON PIPELINE FROM MELVILLE AND KING CHRISTIAN ISLANDS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

As the federal government is the main shareholder in Panarctic Oil Company, can the minister tell the House whether the study on the right of way for the construction of a gas pipeline from the wells located on Melville and King Christian islands in the Arctic to eastern Canada has been completed, and whether he intends to present a report on the activities of that company with regard to natural gas?

[*English*]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the work has not yet been completed. It is still underway. There is a great deal of work to be done both in respect of the main trunk line and the gathering system from the wells which connect them with the main trunk line.

[*Translation*]

Mr. Laprise: Mr. Speaker, on a supplementary.

I should like to ask the minister, since to my knowledge there are two proposed alternate routes, one west of James Bay or the Hudson Bay and the other east of the Hudson Bay, which would be in the province of Quebec, whether he has received representations from the Quebec government requesting, since this pipeline would serve eastern Canada primarily, that it be built on the Quebec side?

[*English*]

Mr. Gillespie: Mr. Speaker, I would be pleased to make inquiries and to convey the information to the hon. member.

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PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE—REQUEST FOR TABLING OF REPORT

Mr. Ron Huntington (Capilano): Mr. Speaker, in the absence of the Minister of Public Works I will direct my question to the acting Minister of Public Works. On Tuesday, October 19 the Minister of Public Works told us he was receiving a report from his officials on the Les Terrasses de la Chaudière project, and I am wondering if he could table that report or make a statement on it at this time?

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I shall convey to my hon. colleague the question put by the hon member which I am sure he will take under advisement. As the hon. member knows, that type of report is subject to certain restrictions. Still, if those restrictions do not apply, the report will probably be tabled in the House.

[*English*]

Mr. Huntington: Mr. Speaker, I thank the acting minister for the reply. I am wondering whether in speaking to the minister he will advise him that 16 days have passed since the Minister of Public Works called for a report and does the minister not agree that the taxpayers of Canada are entitled to a full and open inquiry on this contract, as well as the negotiations and circumstances leading to the contract?

[*Translation*]

Mr. Lessard: Mr. Speaker, I shall bring the remarks of the hon. member to the attention of my colleague.

* * *

[*English*]

EXTERNAL AFFAIRS

INCARCERATION OF SHARON BETHUNE IN MEXICAN JAIL—REQUEST FOR REPORT ON ACTION TO OBTAIN RELEASE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question which was put to him by the hon. member for Burnaby-Richmond-Delta and in respect of which I moved a motion today under Standing Order 43. What steps are being taken by the minister and his department in reference to the long incarceration of Sharon Lynn Bethune who is being held in deplorable conditions not fit for a human being in a Mexican jail and who is being held there even though her father has put up $18,000, more or less, in order to have her released, but has been unable to obtain her release at this stage.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will give the hon. member as much information as I possibly can on this question bearing in mind, as I think he will realize, that perhaps too much public discussion of this matter may not be useful at the present time.

The situation is that we were advised by the young lady's lawyer in the early part of this week that she would be released in a couple of days. The lawyer subsequently has advised our embassy that in fact he was misinformed and that the judge decided to wait until early next week in order to consider the matter. The most recent assurance we have had is that the case will be considered next week and, presumably, if it is disposed of and results in Miss Bethune's release she will be free to

return to Canada immediately. We are taking all steps possible for us to take by way of representations and assistance but, of course, the hon. member will recognize we must do this consistent with the laws and practices of the country concerned.

Mr. Woolliams: Mr. Speaker, in light of the fact that this is one of the examples of Canadians being incarcerated in that nation—and I brought to the attention of the former Secretary of State of External Affairs a matter in respect in which he was most helpful—I wonder whether the whole ball of wax could be protested so that these people who are charged with offences can be at least brought before a court for a remand. It would seem that in that country one is assumed to be guilty until one has proven his innocence, and yet is never allowed to get before a court to prove his innocence.

Mr. Jamieson: Mr. Speaker, as I said at the outset, the question becomes whether or not the kind of initiative to which the hon. member referred will be beneficial in terms of the parties who are presently involved in a most unfortunate way. I can only repeat, and hope for his understanding, that we are taking all the steps which the best judgment we can put together concludes are in the interest of this particular Canadian citizen.

* * *

● (1130)

NATIONAL DEFENCE

LOCATION OF DEFENCE RESEARCH LABORATORY—REASON FOR DELAY IN CONSTRUCTION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Acting Minister of Defence, but in his absence I will direct it to the Parliamentary Secretary for National Defence. The former minister of national defence, the hon. member for Winnipeg South, announced in 1974 that the defence research laboratory in Suffield, Alberta would be moved to the Tuxedo area in Winnipeg. At that time the minister also announced that construction would start in 1975. So far only land has been acquired for the laboratory. I should like to ask the parliamentary secretary if he could bring us up to date and tell us whether this defence research centre will be moved from Alberta to Winnipeg.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for his courtesy in giving me advance notice of his question. I believe the hon. member did not quote the former minister of national defence quite correctly. In his statement in 1974 the minister referred to the establishment of a new research centre in Manitoba and the phasing out, not the moving, of the establishment in Suffield. To date the negotiations for land in Winnipeg have taken much longer than was anticipated, but they are now nearing completion and I am pleased to inform the hon. member that the new research establishment in Manitoba will be constructed in his constituency.

Some hon. Members: Shame.

Mr. Dionne (Northumberland-Miramichi): As a matter of fact, the lengthy negotiations have somewhat delayed the phasing out of the defence research establishment in Suffield, so that process will not follow the original schedule.

Some hon. Members: Hear, hear!

* * *

PENSION ACT

POSSIBILITY OF AMENDMENT TO PROVISION RELATING TO PENSIONS FOR WIDOWS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the introduction yesterday of a bill to amend the Pension Act which provides only for certain appointments to the Pension Review Board, could the minister disclose when he will introduce an amendment to the Pension Act to include widows of veterans who were receiving 48 per cent or less, since there is a large number of them?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, may I say in answer to the first part of the question that the bill which was introduced yesterday is, I feel, a very worthwhile bill. It has become necessary because of the work that we anticipate in the near future.

With regard to further amendments to the Pension Act which would allow us to deal with widows' pensions in a different manner, the hon. member might recall that this year we gave priority to prisoners of war, something that I was very happy to do in a year of restraint. It necessitated an increase of $10 million in our budget. With regard to veterans' widows' pensions, we have this matter under review. I cannot give the hon. member a definite date on it, however.

Mr. Marshall: Mr. Speaker, in view of the fact that there is an inequity in the Act in that it is stated that a widow of a war veteran who was receiving 48 per cent would get a full widow's pension but a widow whose husband received 1 per cent less, or 47 per cent, will get nothing. It seems to me that an inequity exists there which should be corrected as soon as possible by making a very simple amendment to the act. Would the minister consider this in light of the inflation which exists now and the resulting suffering which this causes veterans' widows?

Mr. MacDonald (Cardigan): Yes, Mr. Speaker, this is under consideration. We will certainly keep it in mind when we review the Act.

Oral Questions

LABOUR CONDITIONS

STRIKE OF CANADIAN PRESS EMPLOYEES—REQUEST FOR PROGRESS REPORT ON NEGOTIATIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Labour. Can he report to the House on his meeting with the Canadian Press management, and can he tell us whether progress has been made in reaching a settlement in this matter of a kind which the staff is seeking and to which I think they are entitled?

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I did meet the publishers this morning. I thought it was a fairly productive meeting, at the conclusion of which it was agreed to accept my suggestion that Tom Eberlee, the Deputy Minister of Labour, be assigned on a special project basis as the mediator in an endeavour to resolve the dispute. This has put the matter on a more urgent footing. I spoke informally with some of the leaders of the Guild outside parliament and I indicated to them this particular conclusion reached at the meeting. They seemed to me to be quite satisfied with this report. So, I anticipate that the parties will soon be getting together under the aegis of the special mediator, Tom Eberlee and I hope they can come to some reasonable settlement.

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ATOMIC ENERGY CONTROL BOARD

DATE BOARD KNEW OF RADIOACTIVE CONDITION AT ELLIOT LAKE—REASON FOR FAILURE TO NOTIFY CITIZENS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Will the minister tell the House how long the Atomic Energy Control Board knew that certain homes in Elliot Lake had unacceptable concentrations of radon gas, that at least eight homes were built on radioactive waste material, and why this information has not been conveyed to the residents affected and remedial action taken?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the investigation of the situation at Elliot Lake goes back many months, indeed back to the early part of this year. At that time the Ontario department of health made a number of surveys, particularly in schools and public buildings, and I am glad to report they were negative. Other samplings have been taken since that time right until very recently with respect to houses in Elliot Lake. Again, generally speaking, they were negative. It is only recently that this particular quartzite band has become an area of attention and houses on that particular band are now being surveyed. I can assure the hon. member and his constituents, and more particularly the constituents of the hon. member for Algoma, that the AECB will set up an office early in November. I think there will be three crews who will be directing their efforts to monitoring and investigating each of the houses on this quartzite band as well as other houses if it becomes necessary.

[Mr. MacDonald (Cardigan).]

I invite all citizens of Elliot Lake to participate and to assist the Atomic Energy Control Board in this important activity.

SUGGESTED DELAY IN HOUSING DEVELOPMENT AT ELLIOT LAKE IN VIEW OF RADIOACTIVE CONDITION

Mr. Cyril Symes (Sault Ste. Marie): I find it difficult to believe that the problem appeared suddenly overnight. I would think it is the result of negligence on the part of the board in monitoring the situation in Elliot Lake over the past 20 years.

I should like to put a supplementary question to the minister. In view of the fact that as late as two weeks ago the Elliot Lake town council approved the development of two new mobile home sites on land which may be contaminated, will the minister ensure that there will be a moratorium on housing developments until the AECB has surveyed the land for possible radiation hazards?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I can assure the hon. member that there have already been discussions between the AECB and the town council with respect to these new developments. Measures are being considered, including some design changes.

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BILINGUALISM

FRENCH LANGUAGE TRAINING IN OTTAWA SCHOOLS—GOVERNMENT POSITION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I would like to direct a question to the Secretary of State. It arises out of the assertion in the Speech from the Throne and the allusions in the minister's speech in the House yesterday concerning second language training among young people, specifically in relation to the four Ottawa school boards. Can the minister inform the House what is the intention of the government with regard to the extension of financial assistance for the special programs that were undertaken and which have proven to be of considerable value to the area?

Hon. John Roberts (Secretary of State): Mr. Speaker, I appreciate the concern of the hon. gentleman in this regard. Unfortunately, we have not yet received any request for funding for these worthy projects. The school boards should, if they have not already done so, contact the provincial government, and I hope it would forward this request to us.

Mr. Baker (Grenville-Carleton): I thank the minister for that answer. In view of the fact that the boards are conducting what is in reality a pilot project on teaching methods which could be used in other parts of Canada and because of the particular pressure which exists in this area by reason of the concentration of the public service in the national capital, would the minister undertake to contact the provincial minister of education with respect to this matter so that the boards could know how much, when and by what method this funding

will take place and what are the intentions of this government in this regard?

● (1140)

Mr. Roberts: Mr. Speaker, as I said in my speech in the House yesterday, that has been an extremely successful program, and therefore I would be happy to undertake to make sure that this contact takes place, if it has not already been made, to see what kind of response we might expect from the provincial government.

* * *

HARBOURS

SOURCE OF MONEY TO FUND TASK FORCE ON NEW POLICY—OPPOSITION OF PROVINCES TO NEW POLICY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I am interested in pursuing with the Minister of Transport the evolving ports policy. The minister told us that the policy is going on under existing legislation, and I am wondering where the money is coming from because no funding was provided for the task force.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, officials working within the department on the task force report and the approved ports policy are working in the usual way through existing routes to move forward with those parts of the new ports policy which can progress before the legislation is passed. I would have to know to which particular expenditures the hon. member is referring in order to answer more specifically about sources.

Mr. Fairweather: As the premiers, I am informed, opposed the new ports policy, and as the throne speech in ringing terms said that we were assured that consultation means that the government will place before interested Canadians its assessment of the major problems we must solve together—a superb use of the English language—I wonder if the minister will put his policy where the government's mouth is.

Mr. Lang: We have already very much done so in this case, and have had extensive consultations with the municipalities, the ports and the users of the port facilities. As I read the objections from the provinces, they were almost solely based on the fact that our proposed ports authorities would be composed of various appointees, very fully representing the municipalities concerned, but would not have direct provincial representation. That is a matter of decision on our part, which I think is quite right, but which was objected to, apparently, by the provinces.

The provinces will be allowed a role and will be invited to participate in regional advisory committees. Of course, there will be constant discussions between the port commissions and provincial as well as federal authorities. However, I think it would be wrong to have direct provincial representation on the port commission. The port commission, however appointed, is meant to represent the direct, knowledgeable interest in the port and not to represent as such, different levels of government. I think that would be unfortunate. Therefore, I think it is wrong to place very much weight on the objection of the provinces in this regard. The full consent of the municipalities is indeed very often present.

Mr. Fairweather: I wonder if I could have what is called a final supplementary. Surely, in the case of a province like New Brunswick the minister must agree that the province itself paid substantial moneys—many millions of dollars—to fulfill an obligation which should have been a federal obligation, and that therefore New Brunswick has an obvious interest in the port commission of the city of Saint John.

Mr. Lang: Certainly, the province and the federal government have interests in the port of Saint John and will continue to make arrangements from time to time with that port, for example, where construction is desired which might not be possible without direct assistance from the provinces and the federal government in the future as in the past, but I think that the hon. member will appreciate that our objective in moving to a port commission for that port will be to have the most knowledgeable, actively understanding citizens of the area appointed to a port commission. They can fully represent and understand the interests of the province and work with the province. I do not understand why the hon. member would want the province to be directly represented on that board. I do not see the federal government being directly represented either. The federal government will simply appoint those good and outstanding people to manage the affairs of the port.

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GOVERNMENT ADMINISTRATION

POSSIBILITY OF MOVING PART OF VETERANS AFFAIRS DEPARTMENT TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I would like to direct a question to the honourable and eminent President of the Treasury Board. In the light of widespread reports to the effect that the Treasury Board is studying the transfer of a substantial segment of DVA to Prince Edward Island, can he indicate when this move will take place, and more specifically, if we may expect the move before November 8?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, the responsibility for the implementation of decentralization in the immediate future devolves upon my colleague the Minister of Industry, Trade and Commerce, and I undertake to give him notice of the question so that he can respond when he is in the House.

Oral Questions

AIRPORTS

LACK OF MEDICAL FACILITIES AT TERMINALS—GOVERNMENT ACTION

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is to the Minister of Transport. On September 5 a medical colleague of mine from Oakville, Dr. Terry Riley, attended an Air Canada pilot at the Toronto international airport who had a heart attack, and Dr. Riley found the medical equipment inadequate for such an emergency. I recently had such an experience myself. In addition, apparently there have been 18 such cardiac fatalities in the past year. Would the minister undertake to look into this situation thoroughly and to provide some improvements?

Hon. Otto E. Lang (Minister of Transport): Yes, Mr. Speaker, indeed. The Ministry of Transport together with the Department of National Health and Welfare have established new and higher standards for facilities and equipment at international airports. Steps are under way to put the equipment in place and to find space in the most convenient locations.

There will of course be complete discussions at all times about exactly what equipment should be available and how much of it at various locations at airports. I will very much welcome expressions of opinion from doctors—some of which we have already received—in assisting us in finalizing a policy position with regard to the nature of the equipment we should have.

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STATUTORY HOLIDAYS

POSSIBILITY OF LEGISLATION ESTABLISHING HERITAGE DAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. My question relates to a national heritage day, which was the subject of Bill C-208 of the last session. In view of the fact that we were told that one of the reasons for that bill not being passed during the last session was that the Secretary of State would be bringing in a comprehensive holidays bill, including a national heritage day, is such a bill being drafted, and will it be presented to this House fairly soon?

Hon. John Roberts (Secretary of State): Yes, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Will this bill be before the House in time so that this day can be celebrated in February, 1977, in view of the commitments which were made to railway workers and others?

Mr. Roberts: I would like that to be the case, but I cannot promise that it will be the case.

[Mr. Andras.]

COMMUNICATIONS

ALLEGED SNUB OF UNITED STATES BY PROCLAMATION OF BILL C-58

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Minister of Communications. Since a meeting was scheduled for October 6 with United States FCC officials to discuss implications of Bill C-58, why did the minister choose to proclaim the relevant sections just two weeks before the scheduled negotiations? Was is not a deliberate snub on the part of Canadian officials to have Mr. Boyle, chairman of the CRTC, pull out at the last minute?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the reason that bill was proclaimed was because the time had come to do so.

Some hon. Members: Hear, hear!

Mrs. Sauvé: I had made the necessary inquiries about whether there would be any available time on Canadian stations. However, the hon. member should know that these meetings with the FCC were designed to discuss things other than Bill C-58. Canadians do not discuss the proclamation or, indeed, the introduction of a bill with their United States counterparts. They legislate for their own needs, and this was not in any way a snub to the Americans.

Some hon. Members: Hear, hear!

ALLEGED LACK OF AVAILABLE TIME FOR ADVERTISERS

Mr. Benno Friesen (Surrey-White Rock): It is interesting that the minister should state that there is available time on Canadian television for Canadian advertisers. However, on August 12 the Joint Broadcast Committee of the Association of Canadian Advertisers Incorporated and the Institute of Canadian Advertising, the very people Bill C-58 was supposedly designed to help, wrote to the minister and said in part that since timing is of the essence they are prepared to attend such a meeting within the next few days. The minister did not ever acknowledge the letter, let alone meet with those people. Is it not a fact that there is not enough time on Canadian television for this industry and for the clients it represents?

Hon. Jeanne Sauvé (Minister of Communications): I made a full inquiry with regard to available time on Canadian stations. I asked all those interested in the matter to write to me. I did not call a meeting on this subject, but I looked at all the replies I got from all advertisers concerned and from Canadian stations. I was satisfied that there was sufficient time available on Canadian networks, and that is why I decided to proclaim the bill.

• (1150)

TRANSPORT

USE OF FOREIGN NAVAL ARCHITECTS TO DESIGN EAST COAST FERRY REPLACEMENTS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question is for the Minister of Transport. Is the minister aware that consideration is being given to awarding a contract to a foreign firm of naval architects and designers, if, indeed, the contract has not already been awarded, for the design of replacements for such east coast ferries as the *Abegweit*, as well as ships chartered from a Swedish firm, which provide ferry service to and from Newfoundland?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the questions about design are in hand. I will look at the particular statements which have been made with regard to these facilities and provide the hon. member with the information.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I wonder if the minister is not aware that Canadian designers who had been working on this particular project had their contract cancelled, after which the off-shore interest was shown. I wonder why the ministry would favour off-shore designers when there is a capability in Canada. He is destroying a Canadian industry.

Mr. Lang: Mr. Speaker, I think the hon. member is jumping to the wrong conclusion. The ending of certain phases of study does not indicate that the work has been switched to anybody else.

Mr. Munro (Esquimalt-Saanich): But the contract was taken away from them.

Mr. Lang: That is right, but not necessarily switched to anybody else. It indicates, rather, that further time may be taken to examine the exact needs and the timing for expenditures which will be involved. These will be major expenditures; accordingly, we are reflecting further upon them.

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AGRICULTURE

POSSIBILITY OF SWITCHING GOVERNMENT LENDING PROGRAMS FOR PRODUCERS TO PRIVATE INSTITUTIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, my question is for the Minister of Agriculture. What does the minister's department intend to do about a somewhat questionable report, prepared in part by the Department of Agriculture, recommending that federal government financing of programs such as the Farm Credit Corporation be discontinued and that farmers should turn completely to private lending institutions for long-term financing?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have no intention of following such report, if such a report does exist.

Mr. Murta: A supplementary question, Mr. Speaker. I submit that that kind of report exists, and I think it was prepared in part by a United States American consultant. I ask the minister this: is the government considering any changes in its lending programs for agricultural producers?

Mr. Whelan: Mr. Speaker, we have, in this country, one of the best lending programs in the world, and we intend to continue it that way.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

ATTITUDE OF CORPORATION TOWARDS SEPARATIST CANDIDATES

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I wish to put a question of national interest to the Secretary of State.

Could he tell the House and all sincere Canadians whether he intends to take action about the sacrosanct CBC and find out how it proposes to react to the crusade against Canada launched today by Mrs. Lise Payette in her capacity as separatist candidate in the election campaign now under way in the province of Quebec?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I appreciate the hon. member's great concern and interest but am not sure if he is seriously asking me to take steps which would lead to preventing journalists, commentators or entertainers who work for Radio-Canada from entering political life. I hope he is not asking me to do that.

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ADMINISTRATION OF JUSTICE

POSSIBLE ACTION ON JUDGMENT IN RUDNICKI CASE—REQUEST FOR REINSTATEMENT OF EMPLOYEE

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question, which is a follow-up of the question I directed to the Prime Minister a week ago, is for the Minister of Justice. In light of the judgment rendered by a Supreme Court of Ontario judge which places in question the minister's own propriety and credibility as well as that of a senior public servant affectionately known here as the hon. member for "commerce capital", is the minister prepared to make a statement today as to any disciplinary action which may be contemplated as a result of the judgment handed down by the judge?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, at the moment I am not certain to which judgment the hon. member refers.

Mr. Oberle: A supplementary question, Mr. Speaker. I suggest that the minister knows full well that I was referring to the judgment rendered against the government in the case of the wrongful dismissal of one Walter Rudnicki, a case in which the minister was intimately involved. Does the government intend ever to reinstate Mr. Rudnicki and take remedial action, in light of the allegations the judge underlined in his judgment?

Mr. Basford: Mr. Speaker, the judgment has been obeyed by the Government of Canada. The question of re-employment is not a matter for me; it is a matter for the minister who reports for the Public Service Commission of Canada.

Mr. Fairweather: It is also a matter of honour and morality.

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ENERGY

REQUEST FOR TABLING OF DOCUMENTS RELATING TO ESTABLISHMENT OF URANIUM REFINERY IN SASKATCHEWAN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Since the Saskatchewan Economic Development Corporation, acting on behalf of Eldorado, has now acquired options in the Warman, Saskatchewan area near Saskatoon for the establishment of a uranium refinery, would the minister, in the spirit of openness mentioned in the Speech from the Throne, now table all documents from the province of Saskatchewan relating to the establishment of this refinery, instead of keeping the matter wrapped in the kind of secrecy which would be appropriate to wartime?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I believe there have been preliminary discussions between Eldorado and the province of Saskatchewan. I am not sure that the discussions have yet moved to the point where it would be useful to table documents. I can tell the hon. member that when the time comes, I will be pleased to table them, provided we also get the approval of the province of Saskatchewan.

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CONFLICT OF INTEREST

REASON FOR FAILURE OF NEW MINISTERS TO COMPLY WITH REGULATIONS

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is directed to the Acting Prime Minister. As, in the five weeks since the cabinet shuffle, not one of the seven new ministers has placed a conflict of interest statement in the registrar's public file, can the Acting Prime Minister tell the House why the government has been so negligent about requiring open compliance by the new ministers with even the rather lax conflict of interest guidelines which apply to cabinet ministers?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I will make inquiries into this particular question. I assume that it takes some little time for new ministers and existing ministers to arrange their affairs in order to comply. I assure the hon. member that all ministers are obligated to comply with the guidelines.

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CONSUMER AFFAIRS

POSSIBLE ESTABLISHMENT OF MARKETING BOARD FOR BROILERS—MINISTER'S POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Since the government has announced a number of cross-country hearings relating to the establishment of a marketing board for broilers, and since thhe minister is the minister of consumer as well as corporate affairs, does he support the principle or policy which would create such a marketing board for broilers?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that question should more properly be directed to the Minister of Agriculture.

An hon. Member: He doesn't know.

Mr. Abbott: The National Farm Products Marketing Council is under the statutary obligation to conduct such hearings. This policy was not decided on a day-to-day basis; it was decided some time ago. I do not believe that the holding of hearings necessarily will lead to the creation of a marketing board for broilers. The purpose is to hear evidence as to why it should or should not be set up.

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AGRICULTURE

POSSIBLE ESTABLISHMENT OF MARKETING BOARD FOR BROILERS—MINISTER'S POSITION

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I direct a supplementary question to the Minister of Agriculture? Does the minister now support the policy and principle that such marketing boards for broilers should be set up, and is it now government policy that marketing boards for broilers should be established?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the National Farm Products Marketing Council has been requested by some provincial governments and provincial producer organizations to hold hearings. They are abiding by the legislation approved by this parliament and can do nothing

except pursue their present course. They cannot refuse so to proceed, and they are doing this at present. By the way, the head of the consumers association said the price of broilers had increased by 100 per cent in the last four years. Our statistics show that it increased 13½ per cent in the last 3½ years.

* * *

PENITENTIARIES

BRITISH COLUMBIA—ACTION AGAINST THOSE INVOLVED IN HOSTAGE TAKING

Mr. Jack Pearsall (Coast Chilcotin): Mr. Speaker, my question is for the Solicitor General. Is any action contemplated against those inmates involved in the recent hostage taking in the B.C. penitentiary, New Westminster?

Mr. Munro (Esquimalt-Saanich): They will be sent to William Head.

Hon. Francis Fox (Solicitor General): Mr. Speaker, this matter was raised with the attorney general of British Columbia, because enforcement of the criminal law in that province is his responsibility. I am now informed that charges have been laid against seven inmates involved in the B.C. penitentiary disturbances.

• (1200)

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. Not being satisfied with the answer I secured from the Minister of Transport to the question I raised, I wonder whether I might be granted permission to continue the discussion at ten o'clock.

Mr. Speaker: In accordance with customary practice, I suggest that the hon. member submit that to the table in writing in the usual way.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION PROGRAM

PETITION FROM SUDBURY TEACHERS REQUESTING WITHDRAWAL OF PROGRAM

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the first report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Nickel Belt (Mr. Rodriguez) and finds that it meets the requirements of the Standing Orders as to form.

Anti-Inflation Board

LABOUR RELATIONS

TABLING OF MEMORANDUM OF SETTLEMENT BETWEEN MEA AND ILA

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am tabling a document which is a memorandum of settlement between the Maritime Employers' Association and local 269 of the International Longshoremen's Association which will be referred to in a bill I will be introducing.

As hon. members know, Mr. Speaker, it has not been possible for a settlement to be reached in the much prolonged strike at the port of Halifax. It is, therefore, necessary for parliament to legislate on the matter. In view of the urgency of this matter, I am now asking for unanimous consent to consider the bill in committee of the whole rather than in a standing committee. Perhaps the House will also agree now that we continue the sitting until the bill receives royal assent, if necessary suspending the sitting for a while if this has not occurred by our normal time of adjournment.

Mr. Speaker: Order, please. Perhaps we ought to get to introduction of bills before considering the minister's suggestion.

[*Later:*]

Upon introduction of bills, the Minister of Labour (Mr. Munro) put forward to the House a suggestion that the House give unanimous consent for the introduction, without notice, of a bill entitled "An Act to provide for the resumption and continuation of longshoring and related operations at the port of Halifax". Is this agreed?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to its introduction, but with regard to all the other requests that the minister made, perhaps there might be consultation as the day moves on.

Mr. Speaker: I specifically asked only for leave to introduce the bill at this time. Once the bill is introduced and dealt with under orders of the day, the House might then be prepared to give other consents.

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ANTI-INFLATION BOARD

TABLING OF FIRST YEAR REPORT OF BOARD

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would like to table, in both official languages, the first year report of the Anti-Inflation Board.

Private Members' Public Bills

PORT OF HALIFAX OPERATIONS ACT

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING

Hon. John C. Munro (Minister of Labour) moved for leave to introduce Bill C-14, to provide for the resumption and continuation of longshoring and related operations at the port of Halifax.

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

Mr. Speaker: When shall the bill be read a second time?

Some hon. Members: Later this day.

Mr. Speaker: By unanimous consent, later this day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to the bill being called for second reading later this day. We shall probably agree to all the requests made by the Minister of Labour (Mr. Munro), but we would like to do that as we go along. In view of the thickness of the document which the minister tabled a moment ago, I suggest that it might be desirable that we let the House rise for lunch at 12:30 or some such time, so that members on the opposition side can study the document and consider the speech the minister will have made.

Mr. Blais: That is agreeable to the government, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

PROCEDURE RESPECTING INTRODUCTION OF PUBLIC BILLS ON ORDER PAPER

Mr. Speaker: Under introduction of bills, the House has come to the moment where some 154 private members' bills have been drawn in keeping with past practice. I suggest to the House, if it is agreeable, and following past practice, that the House be deemed to have taken through introduction and first reading stage all private members' bills, taking all of them as having been introduced in the normal course. They were drawn in accordance with past practice. The list of bills introduced at this time will be printed in *Hansard* as if they had been processed in the normal way. Is that agreed?

Some hon. Members: Agreed.

Mr. Baker (Grenville-Carleton): Mr. Speaker, basically there is no disagreement with what you say. However, it might be wise for us to ask ourselves whether all the bills that have been presented are within the power of private members to advance. I am certainly not rising to put Your Honour through the torture of having to go through the list of 154 bills; I emphasize that to you, Mr. Speaker. I am sure there must be some reason for parliamentary counsel to at least look at them, if he has not done so already. I wonder if it would be considered appropriate to put this item over until at least Monday, so that the officers at the table, and others, can look at them to ensure we do not have any problems down the road.

[Mr. Kaplan.]

Mr. Speaker: The hon. member raises a very valid point of order. It is customary for the Chair to enter a caveat as to the procedural regularity or competence of bills. Therefore, the introduction of the bills in this manner is without prejudice to any arguments that may subsequently arise as to the procedural regularity when they are taken one at a time. Is that agreed and understood?

Some hon. Members: Agreed.

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PRIVATE MEMBERS' PUBLIC BILLS

FIRST READINGS

Bill C-201, An Act to amend the Department of Justice Act (annual report).—Mr. Fortin.

Bill C-202, An Act to amend the British North America Act, 1867 (abolition of the Senate).—Mr. Knowles (Winnipeg North Centre).

Bill C-203, An Act respecting the inter-provincial enforcement of alimony and maintenance orders.—Mr. Huntington.

Bill C-204, An Act to amend the Canada Elections Act (permanent voters list).—Mr. Reynolds.

Bill C-205, An Act respecting the parliamentary ratification of the export abroad of nuclear fuels, equipment and technology.—Mr. Gillies.

Bill C-206, An Act to amend the Bank of Canada Act.—Mr. Lambert (Bellechasse).

Bill C-207, An Act to amend the Railway Act.—Mr. Martin.

Bill C-208, An Act to amend the Criminal Code (humane traps).—Mr. Munro (Esquimalt-Saanich).

Bill C-209, An Act respecting noise in factories.—Mr. Robinson.

Bill C-210, An Act to amend the Criminal Code (obscene literature).—Mr. Whiteway.

Bill C-211, An Act respecting Sir John A. Macdonald Day.—Mr. Macquarrie.

Bill C-212, An Act to amend the Criminal Records Act.—Mr. Rynard.

Bill C-213, An Act to amend the Statistics Act.—Miss MacDonald (Kingston and the Islands).

Bill C-214, An Act to register lobbyists.—Mr. Baker (Grenville-Carleton).

Bill C-215, An Act to amend the Senate and House of Commons Act (party status).—Mr. Caouette (Témiscamingue).

Bill C-216, An Act respecting the implementation of International Labour Organization, Convention 96, concerning fee charging employment agencies.—Mr. Caccia.

Bill C-217, An Act to amend the Railway Act.—Mr. Schumacher.

Bill C-218, An Act to amend the Criminal Code (impaired driving).—Mr. Ellis.

Bill C-219, An Act to regulate trade and commerce.—Mr. Saltsman.

Bill C-220, An Act to provide for the constitution of a Federal Transport Commission of Inquiry (impartial investigation of transport accidents).—Mr. Forrestall.

Bill C-221, An Act to amend the Criminal Code (abduction of child).—Mr. Friesen.

Bill C-222, An Act to amend the Canadian and British Insurance Companies Act.—Mr. Kaplan.

Bill C-223, An Act to amend the Senate and House of Commons Act (independent members of the House of Commons).—Mr. Jones.

Bill C-224, An Act respecting divorce.—Mr. Brewin.

Bill C-225, An Act to amend the Criminal Code (young offenders).—Mr. Woolliams.

Bill C-226, An Act to amend the Bank Act (qualification of directors).—Mr. Fairweather.

Bill C-227, An Act to amend the Criminal Code (cruelty to animals).—Mr. McKinnon.

Bill C-228, An Act to amend the Pension Benefits Standards Act.—Mr. Guay (St. Boniface).

Bill C-229, An Act to amend the Broadcasting Act (guidelines respecting portrayal of sex and violence).—Mr. McGrath.

Bill C-230, An Act to amend the Criminal Code (presumption from cheque issued without funds).—Mr. Turner.

Bill C-231, An Act respecting trafficking in exotic pets.—Mr. Watson.

Bill C-232, An Act to amend the Public Service Staff Relations Act and the Canada Labour Code (contributions to political parties).—Mrs. Holt.

Bill C-233, An Act to amend the Official Languages Act.—Mr. Joyal.

Bill C-234, An Act respecting the importation of exotic pets.—Mr. Maine.

Bill C-235, An Act for the control of forms in the public service.—Mr. Hnatyshyn.

Bill C-236, An Act to protect the Canadian environment by instituting mandatory impact assessment procedures prior to the construction of installations potentially damaging to the environment.—Mr. Wenman.

Bill C-237, An Act to amend the Canadian Citizenship Act.—Mr. Benjamin.

Private Members' Public Bills

Bill C-238, An Act to amend the Criminal Code (day-fines).—Mr. MacDonald (Egmont).

Bill C-239, An Act to amend the Canada Labour Code.—Mr. Oberle.

Bill C-240, An Act to amend the Criminal Code (wilful destruction of laid up colours).—Mr. Douglas (Bruce-Grey).

Bill C-241, An Act to amend the Canada Labour Code (three weeks annual vacation after three years).—Mr. Knowles (Winnipeg North Centre).

Bill C-242, An Act to provide for emergency measures to deal with the inflation of prices.—Mr. Lambert (Bellechasse).

Bill C-243, An Act respecting relief to non-smokers in transit.—Mr. Robinson.

Bill C-244, An Act respecting the designation of the Speaker of the House of Commons as the Member for the Electoral District of Parliament Hill.—Mr. Knowles (Winnipeg North Centre).

Bill C-245, An Act respecting packaged perishable food.—Mr. Reynolds.

Bill C-246, An Act respecting National Hire the Handicapped Week.—Mr. Reynolds.

Bill C-247, An Act to amend the Canada Pension Plan (disability pension).—Mr. Caccia.

Bill C-248, An Act to amend the Canada Elections Act (disabled persons—postal vote).—Mr. Friesen.

Bill C-249, An Act to amend the Criminal Code (counterfeit of numismatic items).—Mr. Reynolds.

Bill C-250, An Act to amend the Canada Labour Code (increased minimum hourly wage).—Mr. Knowles (Winnipeg North Centre).

Bill C-251, An Act to amend the Interest Act.—Mr. Robinson.

Bill C-252, An Act to amend the Canadian Citizenship Act (time off without loss of pay for appearance in Citizenship Court).—Mr. Knowles (Winnipeg North Centre).

Bill C-253, An Act to establish a universal emergency telephone number.—Mr. Reynolds.

Bill C-254, An Act respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons.—Mr. Knowles (Winnipeg North Centre).

Bill C-255, An Act respecting the conditions under which public servants may accept employment upon leaving the public service.—Mr. Baker (Grenville-Carleton).

Bill C-256, An Act to amend the Criminal Code (counterfeit of rare coins and notes).—Mr. Kaplan.

Bill C-257, An Act to amend the Bank of Canada Act.—Mr. Caouette (Témiscamingue).

Bill C-258, An Act to amend the Immigration Act (parents of landed immigrants).—Mr. Caccia.

Private Members' Public Bills

Bill C-259, An Act to provide for the establishment of the Office of Archaeological Curator for Canada.—Mr. Watson.

Bill C-260, An Act to amend the Canada Elections Act.—Mr. Forrestall.

Bill C-261, An Act to amend the Department of the Environment Act (fisheries).—Mr. McGrath.

Bill C-262, An Act to provide for the establishment of the Office of Parliament Hill Curator.—Mr. Watson.

Bill C-263, An Act respecting the cancellation of credit card purchases.—Mr. Reynolds.

Bill C-264, An Act to amend the Canada Labour Code (provision for ten general holidays with pay).—Mr. Knowles (Winnipeg North Centre).

Bill C-265, An Act to amend the Old Age Security Act.—Mr. Reynolds.

Bill C-266, An Act to amend the British North America Act, 1867 (tenure of place of Senators).—Mr. McKinnon.

Bill C-267, An Act to provide for the establishment of an Indian-Eskimo Employment Authority.—Mr. Watson.

Bill C-268, An Act respecting the control of lobbying.—Mr. Robinson.

Bill C-269, An Act to protect the indexing of payments made under the Canada Pension Plan.—Mr. Reid.

Bill C-270, An Act to amend the Criminal Code (abortion).—Mr. Robinson.

Bill C-271, An Act to amend the Public Service Staff Relations Act and the Canada Labour Code (strike vote).—Mrs. Holt.

Bill C-272, An Act respecting the international airport at Ottawa.—Mr. Isabelle.

Bill C-273, An Act to amend the Bank Act (regulation of excess of loan interest rate over rate of interest on debts payable by bank).—Mr. Saltsman.

Bill C-274, An Act to amend the Criminal Code (rights of the accused).—Mr. Symes.

Bill C-275, An Act to amend the Motor Vehicle Safety Act (passive restraint crash protection devices).—Mr. MacDonald (Egmont).

Bill C-276, An Act to amend the Interpretation Act.—Mrs. Holt.

Bill C-277, An Act to amend the Immigration Act.—Mr. Fairweather.

Bill C-278, An Act respecting the disclosure of financial interests by Senators, Members of the House of Commons and certain other persons.—Mr. Grafftey.

Bill C-279, An Act to amend the National Defence Act.—Mr. Huntington.

Bill C-280, An Act to amend the Department of Manpower and Immigration Act (handicapped persons).—Mr. Reynolds.

Bill C-281, An Act respecting the continental shelf.—Mr. McGrath.

[Mr. Speaker.]

Bill C-282, An Act respecting full employment.—Mr. Broadbent.

Bill C-283, An Act respecting the Electoral Boundaries Readjustment Act (Beauharnois-Salaberry).—Mr. Laniel.

Bill C-284, An Act to amend the Criminal Code (loan sharking).—Mr. Robinson.

Bill C-285, An Act to amend the Public Service Staff Relations Act (strike ballots).—Mr. Forrestall.

Bill C-286, An Act respecting the sale of firecrackers to minors.—Mr. McGrath.

Bill C-287, An Act to amend the Broadcasting Act.—Mr. McKenzie.

Bill C-288, An Act to amend the British North America Acts, 1867 to 1965 (duration of the House of Commons).—Mr. Caouette (Témiscamingue).

Bill C-289, An Act to amend the Criminal Code (animal traps).—Mr. Whiteway.

Bill C-290, An Act to establish and provide for the government of the province of Yukon.—Mr. Nielsen.

Bill C-291, An Act to amend the Railway Act (definitions).—Mr. Brisco.

Bill C-292, An Act respecting disclosure of credit rating records.—Mr. McGrath.

Bill C-293, An Act to provide for the establishment of an authority to conserve for public use all abandoned railway lines in Canada.—Mr. Watson.

Bill C-294, An Act to amend the British North America Act, 1867 (National Capital of Canada).—Mr. Isabelle.

Bill C-295, An Act to amend the Canada Pension Plan (housewives' contributions and benefits).—Mr. Saltsman.

Bill C-296, An Act to provide for the elimination of inactive and overlapping Federal programmes and agencies by requiring Parliamentary review every five years.—Mr. Forrestall.

Bill C-297, An Act to provide for the establishment of a Canada-Alaska and Maine Corridors Authority.—Mr. Watson.

Bill C-298, An Act to amend the Narcotic Control Act.—Mr. Reynolds.

Bill C-299, An Act to provide for the prohibition of the killing of polar bears in Canada.—Mr. Reynolds.

Bill C-300, An Act to amend the Criminal Code (black powder firearms).—Mr. Reynolds.

Bill C-301, An Act to amend the British North America Act, 1867 (appointment of Senators).—Mr. McKinnon.

Bill C-302, An Act to amend the Immigration Act (mental retardation).—Mr. Reynolds.

Bill C-303, An Act to amend the Income Tax Act.—Mr. Woolliams.

Bill C-304, An Act to amend the Senate and House of Commons Act (corporate and political office prohibited).—Mr. McKenzie.

Private Members' Public Bills

Bill C-305, An Act to amend the Supreme Court Act.—Mr. Reynolds.

Bill C-306, An Act to establish a universal emergency telephone number.—Mr. Robinson.

Bill C-307, An Act respecting the presence of the Flags of Canada in both Houses of Parliament.—Mr. Schumacher.

Bill C-308, An Act to amend the Electoral Boundaries Readjustment Act.—Mr. Lambert (Edmonton West).

Bill C-309, An Act respecting the domestic and industrial use of solar energy.—Mr. Caccia.

Bill C-310, An Act to codify the law of evidence.—Mr. Fairweather.

Bill C-311, An Act to amend the Canada Labour Code.—Mr. Jelinek.

Bill C-312, An Act to amend the Public Service Staff Relations Act.—Mr. Joyal.

Bill C-313, An Act to divide the calendar year into three parliamentary semesters.—Mr. Baker (Grenville-Carleton).

Bill C-314, An Act to amend the Harbour Commissions Act.—Mr. Reynolds.

Bill C-315, An Act to amend the Public Service Staff Relations Act and the Canada Labour Code to provide for the establishment of sector bargaining.—Mr. Jelinek.

Bill C-316, An Act respecting the control of lobbying.—Mr. Reynolds.

Bill C-317, An Act to amend the criminal law (punishment of certain offences).—Mr. Munro (Esquimalt-Saanich).

Bill C-318, An Act to amend the Broadcasting Act (advertising on children's programs).—Mr. McGrath.

Bill C-319, An Act to amend the Canada Elections Act (leave of absence).—Mr. Reynolds.

Bill C-320, An Act to rescind the Memorandum of Understanding signed on June 28, 1976 between the Minister of Transport and The Canadian Air Traffic Control Association (CATCA) and The Canadian Air Line Pilots' Association (CALPA).—Mr. Joyal.

Bill C-321, An Act respecting National Heritage Day.—Mr. MacGuigan.

Bill C-322, An Act respecting the acquisition of land by non-Canadians.—Mr. Stollery.

Bill C-323, An Act to amend the Criminal Code (pornography).—Mr. Robinson.

Bill C-324, An Act to amend the Canada Labour Code (age discrimination).—Mr. Reynolds.

Bill C-325, An Act to provide for the establishment of a Canada Sea Coast Conservation Authority.—Mr. Watson.

Bill C-326, An Act to amend the Inquiries Act (publication of reports).—Mr. Alexander.

Bill C-327, An Act to amend the Criminal Code (abortion).—Mr. Oberle.

Bill C-328, An Act to amend the Criminal Code (cruelty to animals).—Mr. Robinson.

Bill C-329, An Act to amend the Unemployment Insurance Act, 1971.—Mr. Oberle.

Bill C-330, An Act to amend the Criminal Code (abortion).—Mr. Roche.

Bill C-331, An Act respecting Magna Carta Day.—Mr Munro (Esquimalt-Saanich).

Bill C-332, An Act to amend the British North America Acts, 1867 to 1965, with respect to the quorum of the House of Commons.—Mr. Knowles (Winnipeg North Centre).

Bill C-333, An Act to amend the Canada Elections Act (use of contributions).—Mr. MacGuigan.

Bill C-334, An Act proclaiming the Canadian Flag Day a national holiday.—Mr. Haidasz.

Bill C-335, An Act to amend the National Housing Act (proof of need).—Mr. Reynolds.

Bill C-336, An Act relating to the control and management of the water resources of Canada.—Mr. Reynolds.

Bill C-337, An Act to amend the Canada Elections Act (drive-in polling stations).—Mr. Whittaker.

Bill C-338, An Act to establish a press council for Canada.—Mr. Scott.

Bill C-339, An Act to amend the Canada Elections Act (opinion surveys).—Mr. Reynolds.

Bill C-340, An Act to amend the Canada Elections Act (prisoners enfranchised).—Mr. MacDonald (Egmont).

Bill C-341, An Act to amend the Railway Act (half-fare railway tickets for senior citizens).—Mr. Knowles (Winnipeg North Centre).

Bill C-342, An Act to amend the Criminal Records Act.—Mr. Reynolds.

Bill C-343, An Act to amend the Criminal Records Act.—Mr. Robinson.

Bill C-344, An Act to establish the Office of Ombudsman.—Mr. Reid.

Bill C-345, An Act to provide for the protection of domestic animals while in transit.—Mr. O'Sullivan.

Bill C-346, An Act to amend the Criminal Code (intimidation of employees).—Mrs. Holt.

Bill C-347, An Act to provide for a national plebiscite on the removal of the abortion provisions from the Criminal Code of Canada.—Mr. Reynolds.

Bill C-348, An Act to amend the Holidays Act.—Mr. Reynolds.

Bill C-349, An Act to provide for the establishment of the Alaska-Yukon Highway Authority (Alaska Highway).—Mr. Oberle.

Bill C-350, An Act to amend the Canada Elections Act (political affiliation).—Mr. Jones.

Bill C-351, An Act to amend the Criminal Code (cautionary label on alcoholic beverage container).—Mr. Robinson.

Bill C-352, An Act to amend the Post Office Act (search with warrant of suspicious material).—Mr. Robinson.

Bill C-353, An Act to amend the House of Commons Act (Internal Economy autonomy).—Mr. Lambert (Edmonton West).

Bill C-354, An Act to amend the Canada Elections Act.—Mr. O'Sullivan.

Bill C-355, An Act to amend the Criminal Code (preventive detention).—Mr. Orlikow.

Bill C-356, An Act to amend the Broadcasting Act (equal time to opposition parties.)—Mr. Orlikow.

Bill C-357, An Act to amend the Canada Evidence Act (incriminating statements).—Mr. Orlikow.

Bill C-358, An Act respecting employment with the Government of Canada not covered by the Public Service Employment Act.—Mr. Orlikow.

Bill C-359, An Act to amend the Public Service Staff Relations Act.—Mr. Orlikow.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

CUSTOMS TARIFF

The House proceeded to the consideration of a ways and means motion to amend the Customs Tariff.

Hon. J.-J. Blais (for the Minister of Finance) moved:

That a ways and means motion to amend the Customs Tariff Act, laid upon the table on Wednesday, October 13, 1976, be concurred in.

Motion agreed to.

Mr. Blais (for the Minister of Finance) moved for leave to introduce Bill C-15, to amend the Customs Tariff.

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

* * *

PORT OF HALIFAX OPERATIONS ACT

MEASURE TO PROVIDE FOR RESUMPTION OF LONGSHORING

Hon. John C. Munro (Minister of Labour) moved that Bill C-14, to provide for the resumption and continuation of longshoring and related operations at the port of Halifax, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, I thank hon. members for the unanimous consent which they gave. As Minister of Labour, it is always distasteful to me to take the time of this House to bring an end to a labour-management dispute. It should not be necessary for me to reiterate my faith in the free collective bargaining system. Canada's industrial relations system reflects our heritage of fundamental western values and our belief that the common well-being can be encouraged through free collective bargaining and the constructive settlement of disputes.

The state has assumed the task of establishing a framework of rights and responsibilities within which management and organized labour are to conduct their relations. That framework places the responsibility for resolving labour-management disputes clearly on the parties to collective bargaining. There are, nevertheless, times and situations when the government, as custodian of the economy and the defender of the public interest, must assume its responsibility. This is the case today in the dispute involving the Maritime Employers' Association and local 269 of the International Longshoremen's Association in the port of Halifax.

• (1210)

Parliament must be resorted to if we are to bring an end to the lock-out which has closed the port since August 8, 1976. Parliament must legislate an end to the dispute if we are to save the port and the city of Halifax from further crippling economic damage, the effects of which have already rippled through the community, resulting in lay-offs, lost income and lost business.

I have emphasized that the government is, and remains, committed to our system of industrial relations which rests on the principle of free collective bargaining. It might be useful, therefore, if I were to summarize briefly the sequence of events which have led to the present impasse, and remind hon. members of the extended efforts deployed over ten months to resolve the dispute.

The parties to the dispute, the Maritime Employers' Association, which acts for its member steamship companies and agents employing labour, contracting stevedores and terminal operators handling vessels in the Port of Halifax, and local 269 of the International Longshoremen's Association, representing some 650 workers, have been seeking to negotiate revisions to their collective agreement which expired on December 31, 1975.

The parties met in direct negotiations on a number of occasions prior to the expiry of their previous collective agreement. As these meetings were not successful, on January 2, 1976, I appointed Messrs. C. A. Ogden and R. L. Kervin, of Labour Canada's Halifax office, as conciliation officers to assist the parties in their deliberations. Numerous meetings were held with the parties during the next two months and the conciliation officers filed their report on March 4, 1976, recommending the next step in the conciliation procedure, the appointment of a conciliation commissioner to deal with the items still in dispute.

On March 17 of this year I therefore appointed Judge Nathan Green, Q.C., of Halifax, as conciliation commissioner

in the dispute. Judge Green met extensively with the parties during the course of the following three months and filed his report, containing his recommendations on all issues in dispute, on June 24, 1976. On July 17 the Maritime Employers' Association notified my department of its acceptance of the recommendations contained in the report. However, the union rejected the recommendations "in part" and requested mediation assistance based on terms of reference put forward by the union.

On July 13 I appointed Mr. R. L. Kervin, of our Halifax office, as mediator pursuant to section 195 of the Canada Labour Code, with instructions to assist the parties but without placing any restrictions on what areas of the dispute were to be mediated. Mr. Kervin was able to arrange a settlement between the negotiation committees on August 2, subject to its ratification by the union membership. This settlement was rejected by the union membership through a vote held on August 5, 1976. It was following this rejection that the Maritime Employers' Association locked the longshoremen out of the port of Halifax on August 8, effectively closing down the operations of the port.

On September 17 I assigned Mr. W. P. Kelly, assistant deputy minister, Federal Mediation and Conciliation Service, to this dispute to assist the parties in reaching a settlement. Mr. Kelly began meetings with the parties on September 20, assisted by Mr. Kervin, and on September 25 a settlement was reached and a memorandum of agreement executed by the parties, subject to ratification. The membership of local 269 rejected the mediated settlement by a 56 per cent majority.

Because of the threat to the port's reputation, as well as the serious economic effects resulting from the shutdown, I instructed Mr. Kelly to return to Halifax on October 4 and assess the situation following the rejection of the mediated settlement reached on September 25. Mr. Kelly resumed mediation sessions with the objective of developing a formal proposal of terms of settlement. On October 6 I joined Mr. Kelly and met with both parties and submitted a formal proposal setting out suggested terms of settlement.

The proposal, basically, involved the acceptance by both sides of the agreement reached on September 25, but reserving for further negotiation and arbitration, if necessary, four of the contentious items dealing with the dispatching of longshoremen. The parties were given until December 10 to reach agreement on the four contentious items of the rules of dispatch, and failing this I would appoint Judge Nathan Green to arbitrate the items and his award would be incorporated into the collective agreement effective January 1, 1977.

While the union membership accepted this proposal on October 8, although by a narrow margin, the Maritime Employers' Association rejected these terms and put forward their own conditions for the lifting of the lock-out. I found this turn of events most unfortunate and I felt—indeed, I still believe—that this proposal met the requirements of both groups and especially provided the employers the flexibility and stability of the work force it sought. I therefore suggested to the Maritime Employers' Association that they give the proposed terms of settlement careful reconsideration, but they informed me on October 13 that they would not accept this proposal as a basis of settlement.

At this juncture, Mr. Speaker, I see only two courses open to the government: to allow the lock-out to continue, in the hope that the pressure of economic strain on the parties will eventually lead to resolution of the dispute, or legislate an end to the lock-out and bring about a resumption of operations in the port while presenting a method for resolution of the dispute. If I have opted for the second solution it is because, having exhausted over the last ten months all procedures and good offices to resolve the dispute through mediation, it is now clear that the serious adverse economic effects of this dispute are such as to warrant legislative action.

Many members of this House are painfully aware of the adverse economic repercussions of this industrial dispute. I have received numerous representations from business and labour representatives, including important shipping interests, as well as elected officials at all levels of government, and of various political affiliations, to put an end to the dispute because of the severe adverse effects on the economy of the city of Halifax and of the province of Nova Scotia.

May I at this stage acknowledge the good intentions and assistance offered by members of parliament from the city of Halifax, and the assistance of the Acting Prime Minister (Mr. MacEachen) in efforts to bring this matter to a resolution. It has been estimated that the economic loss is now well over $1 million a week and that the number of workers laid off as a result of this dispute is close to 3,000. When I expressed gratitude to hon. members from Halifax, I should have added from the city of Dartmouth also.

That this situation can no longer be tolerated in light of the continuing deterioration of the port's reputation will be evident to all. Accordingly, the Halifax Port Operations Act orders the immediate resumption of longshoring and related operations. The longshoremen will return to work under the terms of the tentative agreement reached on September 25 with the exception of certain contentious items relating to the rules of dispatch. Immediately upon passage of the legislation, local 269 of the International Longshoremen's Association will draft rules of dispatch to cover the outstanding items for submission to and the approval of the Maritime Employers' Association. The proposed rules of dispatch must be submitted by local 269 of the ILA to the Maritime Employers' Association not later than December 10, 1976. If the Maritime Employers' Association agrees with the rules of dispatch as submitted, they will be incorporated into the collective agreement as of January 1, 1977, or as soon as practical after that date.

● (1220)

Should the Maritime Employers' Association fail to agree with the rules of dispatch as proposed, or should local 269 of the ILA fail to submit language on these rules of dispatch to the MEA by December 10, either or both parties may notify me and I will appoint an industrial inquiry commissioner to make a determination on the specific items in dispute. In such

event, within 15 days following his appointment the industrial inquiry commissioner shall render an award prescribing rules of dispatch which will be final and binding on the parties and incorporated into the collective agreement, effective January 1, 1977, or as soon as practical after that date.

I must at this point, Mr. Speaker, explain why the bill before you departs, in two aspects, from the recommendations of my proposed terms of settlement. The first matter concerns the date on which I had proposed the rules of dispatch be incorporated into the collective agreement; that is, January 1, 1977. It has been brought to my attention by the legal officers of the Crown that we must guard against unforeseeable events. The severe illness of the industrial inquiry commissioner is one example of such unforeseen circumstances that would prevent the fulfilling of this obligation. Thus it is necessary to incorporate in the bill the wording "January 1, 1977, or, where in the opinion of the Minister of Labour that date is impractical, on a date after January 1, 1977, that is designated by the Minister of Labour as the earliest practical date".

The second change to the original recommendations concerns the person of the industrial inquiry commissioner. In my proposal, which was approved by the union, the commissioner charged with the determination of the four items in dispute was identified in the person of Judge Nathan Green, a provincial magistrate of the city of Halifax. Again, legal officers of the Crown have advised that the industrial inquiry commissioner should not be specifically identified in the bill, should unforeseeable events prevent this individual from accepting or from carrying out this assignment.

Having said this, Mr. Speaker, I wish to place clearly on record that the commissioner I intend to appoint is Judge Green, whose labour relations expertise and knowledge of the matters in dispute—he was, after all, the conciliation commissioner—eminently qualify him for this task. I also wish to assure all concerned that in my mind the date on which the rules of dispatch are to be incorporated into the collective agreement, whether by agreement of the MEA as submitted by local 269 of the ILA or as presented by the industrial inquiry commissioner, is January 1, 1977, and both parties have my pledge that I shall see that this is indeed the effective date, barring unforeseen circumstances of the nature I have just indicated.

In closing, may I emphasize that considerable efforts have been made in recent years to transform the port of Halifax into an efficient year-round harbour, and I look to both employers and workers, who have so much at stake here, to co-operate fully to ensure that the productivity of this port is such as to guarantee its competitiveness.

I trust, Mr. Speaker, that with this understanding, and in full realization of the seriousness of the situation that confronts us, this House will give speedy and full approval to this legislation.

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, there can be no question about the importance of the port of Halifax to the cities, harbour, the region and the nation. As the minister has pointed out, the port has not been in operation now for more than two months as the result of a lock-out. While I am generally reluctant to see parliament legislate men back to work, or on the other hand legislate the termination of a lock-out, I do not think there can be any question that the regional and national effects of the continuation of the tie-up of the port of Halifax fully justify this House of Commons and parliament taking action to open the port again on the terms outlined by the minister.

I think I should indicate immediately that as far as I and the colleagues in my party are concerned, we are prepared to see quick passage of this legislation. My colleagues from Halifax-East-Hants (Mr. McCleave) and for Dartmouth-Halifax East (Mr. Forrestall) may well have some comments to make at the committee stage. There may very well need to be some questions posed for purposes of clarification, and it may be that we will want to suggest the reconsideration of some of the wording in clause 8 of the bill which seems to be rather unusual. But in terms of the principle of the bill and its importance, I do not differ in any way from what the minister has put forward.

I do not mean to suggest that the lock-out or the issues in dispute, between management and labour in this instance, are in any way frivolous or lacking in importance. It is obviously of the greatest importance to the cities there and the province, indeed to the whole country, that the port be efficient and competitive. There has, as the minister has indicated, been a prolonged period of inability on the part of management and the men to agree on rules of dispatch which those on the management side have felt, I am quite sure sincerely, are necessary for the efficient operation of the port.

I am not suggesting in any way that the lock-out or the discussions or lack of agreement have in any way been frivolous or that it ought to have been easy for the men and management to reach agreement. As the minister has indicated, Mr. Speaker, those on the management side felt that they were able to accept the proposal that the bill incorporates, with the exception to which the minister has called attention. It is my understanding that the reservations of management related simply to one aspect of the minister's proposal, and that was the duration of the period that the union would have to develop and propose rules of dispatch. Management took the position that a period of three months, to January 1 next, was unnecessarily long, and it is my understanding that had the proposal been for a shorter period of time it would have been accepted. I think I would have quite a difficult time trying to convince this House or people in the Halifax area that a proposal would be reasonable if limited to 30 days, and that it would be unreasonable and entitled to be rejected if extended over a period of three months.

● (1230)

We do agree, of course, that it is one thing for us to legislate to reopen the port of Halifax, and I agree that this does not necessarily mean the port will be fully utilized. I also recognize that there may very well be a period of some instability continuing over the period of three months, or perhaps longer.

But the proposal the minister has made and the bill which is now before us which incorporates this proposal hold out the promise that within a reasonably short period of time the problem of achieving a settlement of the rules of dispatch will be resolved. This does not promise to achieve this result as rapidly as those on management side would like, but for those of us who have concern for the port of Halifax it does hold out the promise of achieving a settlement respecting the rules of dispatch, if necessary by binding arbitration, within a reasonable period of time.

This, of course, is not the place to attempt to negotiate a settlement or a solution. I wish to express the hope that those involved in this dispute and in the operation of the port of Halifax, both on the management and the labour side, will use this period of time not only in an attempt to achieve agreement in respect of the rules of dispatch, but to get the port of Halifax back fully in operation, and that they will use this period of time to restore confidence in the port of Halifax which has received something of a setback.

As I say, Mr. Speaker, my colleagues from the Halifax area will wish to say something in connection with this bill at a later stage, and there may well be some questions to be clarified on matters of detail; but as far as I know, I am the only member of my party who will be speaking at this stage. I simply wish to indicate that, in the circumstances, we feel there is no alternative but to proceed with the bill, and to proceed with it as rapidly as possible through all stages.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my colleague, the hon. member for Winnipeg North (Mr. Orlikow), will be speaking for us on this bill and will indicate our readiness to go along with it. But because of the matters that are involved and the thickness of the document that was tabled, we think it would be a good idea to carry out the agreement made earlier and ask the House now to call it one o'clock.

The Acting Speaker (Mr. Ethier): Is that agreed?

Mr. McCleave: Mr. Speaker, I want to speak for only ten minutes during the debate, and my remarks will be of a very general nature. I think the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) is a very sensible one and we should have an opportunity to study this measure, but surely that can be done after I have spoken, and perhaps my colleague, the hon. member for Dartmouth-Halifax East (Mr. Forrestall). Otherwise, I do not intend to intervene in this debate.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think it would be better to call it one o'clock now and preserve the usual order. It is not going to take very long. Would it not be sensible for us to look at the material that was tabled?

Mr. McCleave: Mr. Speaker, I am not going to be dictated to by anybody regarding my right to represent my area. If I am allowed to speak, I will speak, but if I am not recognized, I will not. That suggestion is totally unacceptable to me.

An hon. Member: Let us hear him.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I certainly am not going to be stubborn, but I thought the House had agreed to this during the discussion about proceedings on this matter. I am not trying to cut the hon. member for Halifax-East Hants (Mr. McCleave) off, or to prevent him from speaking. We want to hear him. Our contribution will also be about ten minutes on second reading, but it does seem to me to make sense to take a lunch hour now and look at the whole matter.

The Acting Speaker (Mr. Ethier): The Chair was under the impression that there was agreement, but there does not seem to be now. I recognize the hon. member for Halifax-East Hants (Mr. McCleave).

Mr. Robert McCleave (Halifax-East Hants): Thank you, Mr. Speaker; you have restored yourself to my favour. As a result, I am going to send down that old pair of black pants I used to wear when I occupied that position. Perhaps you can make them over to your own suitability. I am pleased to see you in the chair. I think you will contribute a great deal to this session and to the proceedings of this parliament.

This will be only the second occasion on which I have publicly made reference to the lock-out which has gripped the port of Halifax. After the lock-out started, someone from radio station CHNS in Halifax called to ask what my intentions were regarding the lock-out. I said I had none at that particular time; that was back in early August. He was the only member of the journalistic world in Halifax who called and solicited my opinion. That may seem strange, but those great figures who are always so prone to rush to get into public print in my part of the world have had their say and their words have been emblazoned on the pages of the Halifax *Chronicle-Herald* and *Mail-Star*, as well as on television and in radio newscasts.

Some time earlier, after meeting with my colleagues, the hon. member for Halifax (Mr. Stanfield), the former leader of the opposition, and the hon. member for Dartmouth-Halifax East (Mr. Forrestall), we determined that we would stay away from publicity on this matter, working behind the scenes to see if any resolution could be found of the issues.

I am not going to give the House a blow by blow account of the 30, 40, 50, 60 or 70 meetings, phone calls, etc., that we had in the interim, but I will sum up our position with regard to this legislation. I say this because of what you will find in dealing with the press in Halifax on a matter such as the hanging bill. Do you know who they went out and interviewed? They interviewed the dog-catchers all over Nova Scotia to find out what they thought about hanging. They would not go near a federal member of parliament, because he is the one who had to make the decision and that would be too direct an approach. That is really what I have to say about the press in Halifax in

respect of this miserable business that has occupied us for some time and is occupying us in this place now.

My colleagues and I have talked to the people from the Halifax-Dartmouth port commission, we have talked to members of the Maritime Employers' Association, and we have talked to members of the International Longshoremen's Association, the chief disputants in this matter, as well as to others. There were times, I think the Minister of Labour (Mr. Munro) would have to agree, when it appeared that perhaps we had come close to helping him and Mr. Kelly solve a very difficult issue. Our only purpose was to try to be of help in seeing that the issue was solved outside parliament. We worked like hell trying to do that, Mr. Speaker. We came close at times, but we did not come quite close enough.

I made one promise to everyone I talked to, and that is why I am not mentioning names today. I said they could talk to me, the hon. member for Halifax, and the hon. member for Dartmouth-Halifax East, without getting their names in the press in any way, shape or form. We told them we would honour their confidence and do our best to carry forward their points of view. We did this all through the piece and, as I say, we came remarkably close to solving it. We worked among the parties daily, and if we did not qualify for the title of statesmen in that posture, I do not know what we would qualify as. We tried, and we missed.

• (1240)

I just want to tell the House that after consultation with the parties concerned—I think I can mention two names, Mr. Masters of the Maritime Employers' Association, and Mr. Quinn of the Longshoremen, and you will appreciate that we speak to these people every day and sometimes twice a day—there is no way this lock-out can be ended unless we take action in parliament. When any labour dispute has to come into the House of Commons and the other place to be solved, that is a miserable solution, but I simply say it is the only solution that can possibly work.

I do not want to single out any of the people I have spoken to for this comment, but I am convinced that they are so exhausted by the process in which they found themselves, the lock-out, with all the pressures from every conceivable angle, that it would be impossible for them to reach agreement. There are too many feelings that can be tenderly bruised just by the sheer process and the fact that they have been fighting for too damn long. Too damn long has come to an end, and I say let us pass the legislation.

Mr. Knowles (Winnipeg North Centre): One o'clock.

The Acting Speaker (Mr. Ethier): Is it agreed that we call it one o'clock.

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): It being one o'clock, I do now leave the chair until 2 p.m.

At 12.45 p.m. the House took recess.

[Mr. McCleave.]

AFTER RECESS

The House resumed at 2 p.m.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I listened with a good deal of interest to the Minister of Labour (Mr. Munro) when he introduced this bill, and to the hon. member for Halifax (Mr. Stanfield) who represents the area which is directly concerned with the lock-out.

Our position on this question is one which we have held for a long time, and our views have not changed. We believe in free collective bargaining between an employer and an employee or his union. We believe that it is wrong for a government to intervene directly very often. We hoped the government would never have to intervene in a dispute between employees and employers. We have been, we are, and we will continue to be, opposed to the views expressed by some members of this House, and certainly by many people outside the House, that there should be legislation requiring compulsory arbitration. We think that is wrong. We think that kind of policy which is used in some countries would embitter rather than help solve or lessen the differences between employees and employers.

Having said that, we accept the fact that when a dispute between employees and employers which leads either to a strike by employees or, as in this case, a lock-out by employers, continues for any length of time, it has such grave consequences on the community directly concerned, and indeed on the whole region, if not the whole country, that there comes a time when the government must intervene. We have had examples of this. I did not take the time to search the record for the years in which I have been here, but on a number of occasions in the 14 years I have been here the government has had to bring in legislation to end a work stoppage.

• (1410)

There were occasions, when Saskatchewan and British Columbia had NDP governments, when both governments found it necessary to bring in legislation to end work stoppages. We accept the fact that this can and does happen, and it has happened. It has happened in this case. The differences involved in this case go back even longer than the minister recounted to us earlier: they go back three or four years. Arguments and discussions have gone on at least that long in connection with the port of Halifax, and that is not surprising.

With regard to loading and unloading goods which are shipped by boat, there has been a veritable revolution in the past 25 years. Many products which used to be loaded and unloaded individually are now packed in containers and moved by new and modern equipment, large cranes and other equipment, and as a result the port of Halifax and all other ports require fewer employees than once was the case. The way in which employees are to be dealt with as a result of this containerization and modernization has been, and will continue to be, a matter of dispute between employees and employers for a long time. I say that as a statement of fact and it must be accepted.

This dispute has gone on for at least a year and there has been a lock-out for several months. The activities of the whole region are being very adversely affected. For that reason we agree with the minister that it is time the government acted. We feel that the proposal he has made, namely, that the employees and employers be told that work must begin as soon as this bill is passed, will give the two sides until some time in December to try to reach agreement between themselves on the matters which are still unsettled. Failing such agreement, an arbitrator will be appointed to look into the matter and to make findings and recommendations, and these will be binding on both parties.

As I said at the beginning, we are not enamoured of or enthusiastic about this kind of intervention, but we accept the fact that there is a time when governments have a responsibility to the community as a whole to act when the effects of a stoppage are too serious. We believe the time has come for the government to act, and that parliament should support the government.

Let me conclude by saying that we accept this principle with regard to this particular case. I hope there are no more cases like it, but if in the future there should be, we will take the same view as we have in the past. We will look at the situation as it exists at the time the matter arises. If we are dealing with this specific case, and if it is not a precedent for cases in the future, or the beginning of a permanent method of solving disputes put forward by the government, we are prepared to go along with this bill and to co-operate in ensuring its rapid passage.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I listened with much attention to the explanations given by the minister in his statement. I also watched the reactions of opposition members, and I realize that by general admission this is not the best procedure. But in the circumstances, it is time the government decide on some approach, especially since, under the legislation before us, the main interested parties would still have some time before them to think things over and look for what might be considered the best solution.

To my unfortunate amazement, there are still people who believe the remedy to labour-management problems is a work stoppage. This is rather strange, because the fact is that everything has been accomplished in our world through work. How can strikes solve problems? That is beyond me! For this reason, I suggest from time to time to the government they should try and come up with a labour legislation that would fit the workers involved, a comprehensive legislation to avoid the ever more numerous strikes that cause economic upheavals affecting everyone, even those who are responsible for deciding and legislating in the labour-management area. But the government appear to be reluctant. It would seem they are afraid of labour unions. Apparently, they fear they will lose the labour vote at the next election. The legislation before us is not in the interest of the people, but rather in the interest of the next election. We must strive for a fairer solution to the various problems now facing us. The only possible reason for a strike is an attempt to regain lost time in the race against soaring prices. But the right to strike is not basic to the current situation. It is something linked to various general illnesses, and it is becoming a tool of hypothetical efficiency. No one knows whether it will succeed or not. And generally speaking, strikes are aimed at the people who pay, rather than those who deprive. I shall deal with the main causes and the multiplication of strikes. First the workers say: Our wages are not high enough. Management replies: If we increase your wages, we shall not be able to make ends meet. Let us pause for a moment and examine the main cause, as we should. It is found in the financial system which deprives us of all sorts of things. It often happens that by abusing the means employed we contribute to preventing ourselves from achieving the objectives we have set, because of resulting clashes in labour relations. We have noticed agreements turn to disagreements. It is true: we have seen it happen. We can see it within the postal service: there was agreement and now there is disagreement.

Some negotiators persist in clamoring for reinstatement of their rights which results in a lot of contestation often based on misunderstanding and degenerates most of the time into confusion. I jumped on the occasion to point out to the House that the time has come for the government to act. This is no time for squabbles between political parties but time to try to find a real formula, acceptable first of all to the workers, because they need a decent wage to live, and also to management which has to be able to bank on normal activities in their field of operation.

So, in that atmosphere of constraints and industrial conflicts and others, with legislation permeated with timorous inspiration in the face of finance that dominates, it is difficult to find a solution at the present time that can be fair to employers and employees alike. Once again governments will have to become aware of their responsibilities and implement real legislation that does not smack of the domination of the profiteers, nor of the fear of what some unions might do, but legislation that is understanding, honest, humane, just and truly social, which guarantees an equitable distribution of profits and reasonable income to the workers.

With the group of experts governments have at their disposal, it should be possible to draft legislation that is clear in style so that the interested parties can understand it. It is worth a try. That is the price we will have to pay for peace in labour relations.

We evidently support the government's approach in this bill. I do not feel it would be possible to adopt another. We therefore support this bill and hope that it will be adopted soon, so that normal activities in the port of Halifax may resume.

• (1420)

[*English*]

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion for second reading. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

The Chairman: Order, please. The House is in committee of the whole on Bill C-14, an act to provide for the resumption and continuation of longshoring and related operations at the port of Halifax. Shall clause 2 carry?

On clause 2—*Definitions—"collective agreement to which this act applies".*

Mr. Forrestall: Mr. Chairman, I find this bill deficient in that it does not properly describe the locale of the dispute we are considering. The locale, in fact, is the port of Halifax-Darmouth. I regret that the full name of the port is not mentioned in the bill. Is it confidential?

I wish to ask two or three questions about the details of the bill. I join with the hon. member for Halifax and the hon. member for Halifax-East Hants in regretting the necessity to conisder the matter at all. At the same time, we recognize the importance of the government's action. We hope that both sides will do everything necessary to bring about a return of trust and confidence in the port of Halifax-Dartmouth.

If users regain their trust in the port, it will work immediately at about 60 per cent of normal capacity. It may take another two or three months to recapture 100 per cent of all the port's business. Restoration of confidence is most important to the port. We all hope that confidence will be restored within a week or ten days of the coming into force of this act and that the port will regain its previous stature in the shipping world. The question concerns us. I hope everything will be done to facilitate this process.

I would now direct my first question to the minister. Essentially, what services will the department make available to both sides? I am concerned about the question of dispatch. In other words, will the services of departmental officials be available to either side if they should need such services?

Mr. Munro (Hamilton East): Yes, Mr. Chairman. Obviously if the parties want the department's help in resolving the matter voluntarily before the cut-off date, December 10, the department will respond positively.

Mr. Forrestall: May I ask another general question? I shall ask two or three specific questions when we come to the relevant clauses. In his statement to the press yesterday, the minister, in looking generally at difficulties at other ports in Canada between the MEA and various locals of the ILA, indicated that he would have to take a fresh look at labour relations and difficulties which have plagued the past history of negotiations between the ILA and the MEA. What did the minister mean; can he elaborate?

[Mr. Deputy Speaker.]

In the eyes of some, he left the matter dangling; he left the impression that it would be resolved in a judicial way. Some took the minister to mean that he would not consider the history of these relationships but would consider ways of imposing guidelines, restrictions or directions with respect to how the parties should conduct themselves in future. Will the minister elaborate on what he said?

Mr. Munro (Hamilton East): Mr. Chairman, yes, I will. I welcome the opportunity to respond to the hon. member's question. In the department we are pleased because we have been able to resolve this year all those areas of concern which, if left unresolved, could have had a severe national impact in terms of tying up the country. Labour and management have entered into collective agreements and this has been an encouraging sign. I am talking about the railways, the towboats, the St. Lawrence Seaway workers and the grain handlers. All have settled. The grain handlers even agreed to voluntary arbitration, which is a leap forward, a new point of departure and an encouraging sign.

On the other hand, when one considers the history of the ports in terms of the collective bargaining process, one is not encouraged. Eighteen months ago I came to this House with legislation ordering men back to work in the port of Montreal, and here we are again with legislation to end the work stoppage at the port of Halifax. I have read the history of the involvement of competent mediators, both locally as well as nationally-oriented, who have lent their services to find some resolution of the difficulty, without success. I have reviewed the pattern of the efforts undertaken in Halifax; I think it is impressive. Yet we are still not able to resolve the difficulty. The result has been the port being closed for two months, a closure which has affected the economy of an entire region as important as Nova Scotia. Business was lost at the port of Montreal owing to the work stoppage. All this indicates that something is seriously wrong with the collective bargaining process between employers and the unions with which they deal.

Perhaps there is a fundamental lack of trust of the most basic kind, a lack of trust which does not enable the parties to enter into a contract without government intervention. That basic lack of trust is most serious. I do not know its precise cause. I only know that this continued history of breakdowns is injurious to our economy, particularly that of the regions.

If this history establishes a pattern of poor industrial relations between employer and employee, or vice versa, there may be a reasonable basis for an examination and investigation of the state of labour relations in this industry. It is an option that should be considered. I have not made any such determination. However, perhaps if some competent people set up as commissioners, who have an intimate knowledge of the industry and who would enjoy the competence of all those on the employer and employee side, would look into this situation and make recommendations, it may lay the basis for a resumption of the basic type of trust that is needed for the parties to arrive at any successful collective agreement which, as I say, is not very encouraging in this particular industry.

• (1430)

I might point out that we looked at the grain handlers situation. That seems to be a catalyst to a degree; it seems to encourage the parties to resolve their disputes without the constant necessity of government intervention. We started out looking at that process through the appointment of an industrial inquiry commissioner whom I have the authority to appoint under the Labour Code.

I was looking at that situation and expressing the frustration that many members have with regard to breakdown of the system in terms of resolving this particular dispute. I find it regrettable that parliament again has had to intervene. Every member of the House has expressed that sentiment during this debate. There must be a better answer for this particular industry.

The Chairman: Shall clause 2 carry?

Clause agreed to.

On clause 3—*Longshoring operations to be resumed.*

Mr. Forrestall: With regard to clause 3, Mr. Chairman, I wonder if the minister will take a moment to elaborate on subclause (3) which reads:

> Every officer or representative of a union shall comply with any order or request made pursuant to the collective agreement brought into force by section 4 that is applicable to him for the despatch of persons to perform longshoring or related operations at the port of Halifax.

The document the minister tabled today does not include the sections with regard to dispatch. I would like some clarification. Is the document that was tabled today complete? How does it dispatch persons during such a situation? Perhaps that is a better way to put the question.

Mr. Munro (Hamilton East): Mr. Chairman, this clause refers to the collective agreement that was agreed to on September 25 and which has been tabled. It does include those sections relative to the rules of dispatch. However, the bill exempts the four sections upon which there could be no agreement and throws that option to resolution between the parties themselves up to December 10.

Mr. Forrestall: Those four sections have been removed?

Mr. Munro (Hamilton East): The bill removes them. Does that answer the hon. member's question?

Mr. Forrestall: Yes, Mr. Chairman.

The Chairman: Shall clause 3 carry?

Clause agreed to.

On clause 4—*New collective agreement.*

The Chairman: On clause 4, I should ask hon. members to fill in the blanks as to the date of the tabling of documents referred to in that clause. Line 36 should read "October 22, 1976". The following line should read "document number 302-73". Shall the clause carry?

Clause agreed to.

Clauses 5 to 7 inclusive agreed to.

On clause 8—*Injunction.*

Mr. Forrestall: Mr. Chairman, I wish to pose one or two questions to the minister and his officials with regard to enforcement. Passage of this clause implies a request to the Supreme Court of Nova Scotia for an injunction. Why did the minister feel it necessary to extend the right to that injunction to July 1, 1977?

[*Translation*]

Mr. Olivier: Mr. Speaker, I shall reply to the question of the hon. member by saying simply that, according to the spirit of the bill, we would like everything to be over one day. In this case, it will end on July 1, 1977. Afterwards, we shall come back to what must happen, that is negotiation between the two parties. Ordinary labour legislation will prevail afterwards. This agreement will therefore be an 18 month agreement between the parties.

[*English*]

Mr. Forrestall: Mr. Chairman, I am slightly uncertain, but I think it is quite unseemly for the House to determine the length of an agreement between two parties.

Mr. Munro (Hamilton East): Just to elaborate on what my parliamentary secretary said, Mr. Chairman, the collective agreement dated September 25 that we are now inaugurating runs from January 1, 1976, to July 1, 1977. It is an 18-month agreement. We want to give the court authority for compliance for the duration of the agreement. The termination of the agreement that has been tabled is July 1, 1977.

Mr. Stanfield: Mr. Chairman, I wish to raise a question about the use of the word "shall" in the third line of clause 8. It seems to my colleagues and myself that this almost suggests instruction to the court. To that extent, there is a removal of any discretion as far as the court is concerned. I wonder why the word "may" would not be appropriate.

The final paragraph of that clause looks, on the face of it, as though it is rather gratuitous. The court would have the authority, in any event, to cite for contempt anybody who failed to comply with an injunction issued by the court. What is the purpose of spelling out the right to impose punishment for contempt, which is implicit in any event? Why does the bill virtually instruct the court to issue an injunction rather than simply authorize it?

Mr. Munro (Hamilton East): Mr. Chairman, I appreciate the notice the hon. member for Halifax gave me with regard to raising this question. That gave me an opportunity to get hold of the legal advisers in Justice to assist me in answering. I am told that it is not interpreted in that fashion. It is not an instruction to the court as such, but an instruction under certain conditions, the conditions being set out in (a) and (b).

I am also told that we had a similar provision in the legislation ordering the men back to work in the port of Montreal 18 months ago. The courts were called upon, follow-

ing that legislation, with regard to the issuance of injunctions against the union to comply. The section was not contested by the courts. Indeed, the courts acted under it. The opinion I have received from Justice is that it is an appropriate section and according to precedent.

I will now turn to the hon. member's question with regard to the gratuitous element in the last three lines of clause 8. Perhaps in a sense it does seem somewhat gratuitous, but even if it is, it is not offensive. Again, I can only say this is the precise wording of the section in the previous legislation, on which the courts acted without adverse comment of any kind.

● (1440)

Mr. Stanfield: Do those final five lines restrict the right of appeal? This section does designate the Supreme Court of Nova Scotia in relation to the issue of injunctions. Do those lines mean, also, that the Supreme Court of Nova Scotia is the court to cite or punish for contempt? Is that restrictive as far as the right to appeal is concerned? Would that be a reason for slipping that in there? Or am I unnecessarily suspicious?

Mr. Munro (Hamilton East): I believe that subsection 6 sets out the procedures with regard to appeals—where they would lie. Perhaps the hon. gentleman would check to see whether it deals with his point. I think it might.

Clause agreed to.

Clause 9 agreed to.

On clause 10—*Coming into force.*

Mr. McCleave: Might I ask the minister, with regard to clause 10, whether the other place is standing by and, if so, whether it is expected that this legislation will be operative on Monday morning.

Mr. Munro (Hamilton East): The answer to the first part of the question is yes; the other place is standing by to act promptly after the bill leaves this chamber. I believe the legislation comes into effect 24 hours after royal assent, which means that it can come into force earlier than next Monday.

Mr. McCleave: It would come into effect, then, on Sunday morning; am I correct in that assumption?

Mr. Munro (Hamilton East): Yes.

Clause agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Munro (Hamilton East) moved that Bill C-14, to provide for the resumption and continuation of longshoring and related operations at the port of Halifax, be concurred in.

Motion agreed to.

Mr. Munro (Hamilton East) moved that the bill be read the third time and do pass.

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

[Mr. Munro (Hamilton East).]

FINANCIAL ADMINISTRATION ACT AND SATISFIED SECURITIES ACT

MEASURE TO REPEAL SECURITIES ACT AND AMEND ADMINISTRATION ACT

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-8, to amend the Financial Administration Act and to repeal the Satisfied Securities Act be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: On a point of order, Mr. Speaker, my colleague the parliamentary secretary, the hon. member for York Centre (Mr. Kaplan), will be speaking on this legislation.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the provisions of this bill would expedite the discharge of securities taken by Her Majesty in the form of liens, mortgages, hypothecs, privileges or other charges, once the debts for which such securities were taken have been satisfied.

The Satisfied Securities Act, the statute under which such discharges are now given, authorizes the governor in council to effect the discharge of a satisfied security through the passing of an appropriate order in council. This, however, is a cumbersome and time-consuming procedure. Recognizing that the elimination of the requirement to effect a discharge through reference to the governor in council would materially reduce the time required to obtain a discharge, this bill proposes that the authority to effect a discharge of security be given to the minister responsible for the administration of the security. Hon. members may be interested to know that the volume of such discharges has greatly increased because of the number of programs administered under the Department of Indian Affairs and Northern Development.

It is further proposed that the authority be included in the Financial Administration Act, with the Satisfied Securities Act being repealed. This would have the advantage of incorporating the authority to discharge securities in the major piece of legislation which deals directly with government financial administration while eliminating a small and insignificant statute.

The securities in question are those taken by Her Majesty, not those taken by Crown agents such as Central Mortgage and Housing Corporation or the Farm Credit Corporation. Those corporations are empowered to execute a simple corporate discharge of mortgage. The bulk of the securities which would be discharged under the proposed legislation have been taken by Her Majesty to secure loans made from the Indian economic development fund and the Indian off-reserve and Eskimo housing program, and are administered by the Department of Indian Affairs and Northern Development.

This is not the most momentous bill which parliament will be asked to consider this session, but it is an important matter of housekeeping and I look forward with great anticipation to dealing with this measure in the finance committee.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, there are aspects of this bill which the parliamentary secretary has not covered. It is one of those sleeper bills. Immediately after I had read it the first time, I was tempted to think it could be handled in the way such measures are often handled on a Friday afternoon, that is to say, dealt with in committee of the whole and passed through all its stages. Then an innate sense of conservatism and my instincts as a lawyer caused me to reflect further. I looked at the bill again, and I am satisfied that my second thought was superior to the first.

As Your Honour knows, after a good deal of struggle on this side of the House a committee has been set up to deal with statutory instruments. That committee has under its examination—and it can examine not only once but, if necessary, a second or third time—any instrument executed by way of delegation of powers and incorporated either in an order in council or some other statutory instrument.

● (1450)

Unfortunately, there has arisen a difference of opinion between members of the committee of both this House and the other place, on the one hand, and officers of the administration, on the other hand, as to what constitutes a statutory instrument, the more restrictive interpretation naturally being applied by the administrative officers.

As the Satisfied Securities Act provides, there would have to be an order in council passed to discharge any particular security in favour of Her Majesty regarding not only affairs dealing with Indian lands but, I suggest, also the parks department. I suggest that would have some interest as well.

I cannot agree with the parliamentary secretary that mere administrative convenience shall be the overriding consideration. I know it is difficult to have all of these orders in council cluttering up the landscape, and I also realize many other orders in council are having to go through. I remember, when dealing with the Immigration Act, often the admission to Canada of an immigrant, after initial admittance by ministerial permit, had to be validated by order in council, which was perhaps anything from five to six months after the event.

In this particular instance, not merely administrative requirements have to be met under the Satisfied Securities Act; the rights and obligations of subjects of the land must also be recognized. As long as the Satisfied Securities Act is in force, an order in council discharging the right of the Crown against any land held by a subject shall be subject to scrutiny by the statutory instruments committee.

As I have indicated privately to the minister, when we get into committee we want to get an answer to the question whether there is a guarantee that the instruments to be executed by any minister in any form authorized by the deputy attorney general—I am not too sure that the language of the new section of the Financial Administration Act is any more felicitous from a legal point of view than the provision in the Satisfied Securities Act—are not merely departmental documents but will also be subject to examination. Not only the parties themselves but the interests of the public can be satisfied by examination.

The proposal that is before the House in this bill merely means that a minister may execute the discharge of a security, in whatever form it is, and that it will then be sent out, say to a land titles office, where the discharge of the security is registered. Outside of that there is no other means of examining the document, whereas under an order in council, of course, the document is to be examined by the statutory instruments committee.

That is basically my point this afternoon, Mr. Speaker, and it is the question on which my colleagues and I will have to be satisfied in committee. Let me reiterate that this motion to give the bill second reading is not an acceptance of the bill. The motion is that the bill be read the second time and referred to the committee for examination. Then the bill is read the second time, after the report stage, if one examines our procedures. I would therefore recommend to the members of the House that the bill be read the second time and referred to the committee so that the committee can look into the judgment of what is the better legal position under either the Satisfied Securities Act or under this amendment to the Financial Administration Act.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had thought that the first reaction of the hon. member for Edmonton West (Mr. Lambert) was the correct one. In fact, at that point I felt that he had stolen the sentence that I was going to offer, namely that this bill is so simple that we might as well take it in committee of the whole and complete the job this afternoon. I see that he has now been drawn away from that position; he feels that the bill should go to the Standing Committee on Finance, Trade and Economic Affairs. I have listened to his argument but he has not convinced me.

There are times around here when we demand the right to see more things, and so on, but there are other times when we complain about the place being cluttered with too much detail. It strikes me that this is a very simple administrative process that ought not to clutter the work of the committee on statutory instruments or any other body, and I feel that it would have been better just to finish the job this afternoon. Of course, this would require unanimous consent, so all I can say is that if we are prepared to agree to second reading of the bill, and if there is still a suggestion that it be dealt with in committee of the whole, we would agree with that as well.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Income Tax

INCOME TAX

MEASURE TO IMPLEMENT AGREEMENTS BETWEEN CANADA AND CERTAIN COUNTRIES TO AVOID DOUBLE TAXATION

Hon. Donald S. Macdonald (Minister of Finances) moved that Bill C-12, to implement an agreement between Canada and the Federal Republic of Germany and conventions between Canada and Morocco, Canada and Pakistan, Canada and Singapore, Canada and the Philippines, Canada and the Dominican Republic and Canada and Switzerland for the avoidance of double taxation with respect to income tax, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is not a bill which we would recommend be considered all in one afternoon, all three readings, because it deals not only with the important treaty that has been entered into, subject to ratification by parliament, with the Federal Republic of Germany, but there are other treaties included for the elimination of double taxation between Canada and Morocco, Pakistan, Singapore, The Philippines, Dominican Republic and Switzerland. The treaties tend to follow the OECD model but there are important differences among all of them. With this bill, as well, I look forward to taking up these interesting matters when the bill reaches the finance committee.

● (1500)

I might say by way of background that the tax reform of 1971 brought an urgency to extending the network of tax treaties that Canada holds with countries around the world because of the imposition of a higher witholding tax, for one thing, and the revision of existing treaties that were in effect between Canada and a number of other countries.

I offer this substantial bill for second reading, Mr. Speaker, and look forward to speaking on it further when the bill reaches the Finance, Trade and Economic Affairs Committee.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I suppose this is the second slice of a whole series of bills of this nature which will come before this House and the other place arising out of the amendments to the Income Tax Act of 1971. The then minister, Mr. Benson, indicated that Canada would have to go through a whole series of changes to agreements to avoid double taxation with all of its partners who participate in this type of convention around the world. On this occasion we have some six or seven which extend wider application of what I think are common sense rules between the various countries which are our trading partners and with which we do have a great deal of trade.

Last year through Bill S-32 this parliament ratified agreements between Canada and France, Canada and Belgium, and Canada and Israel. I would suggest that possibly the government at this time in bringing forward Bill C-12 will have benefited from amendments brought forward by the Committee on Finance, Trade and Economic Affairs as the result of the initiative of myself and my colleague, the hon. member for York-Simcoe (Mr. Stevens) and it will arrive at a much more workable review of regulations as they appear, not in detail, at page 7 of this bill.

[Mr. Knowles (Winnipeg North Centre).]

The insertion of clause 23 in the bill points out the fact that there are a great number of vacua in the rules of this House dealing with a concept that was introduced when this House was considering the establishment of the Committee on Statutory Instruments and the Statutory Instruments Act. This House considered for the first time the concept and application of affirmative and negative resolutions. However, the House has never come to the point of establishing its practice with regard to either of those types of resolutions.

Unfortunately each one of these bills at the present time has to carry an elaborate procedure in a statute which has to be laid out, at least until the House has determined what shall be its rule. To this extent let me say as a member of the committee that I would welcome a reference to it by the House, because our procedures are archaic enough as they are now in that our standing committees must wait until there is a reference before any consideration is given and report back is made. I appeal to the President of the Privy Council (Mr. MacEachen), as government House leader, to inscribe such a motion on the order paper so we can clean up the Statutory Instruments Act and avoid the problem we had in respect of Bill S-32.

The parliamentary secretary might clear up another point for us. The explanation may be very simple. The title of this bill refers to an agreement between Canada and the Federal Republic of Germany, whereas all the others are called conventions. Would the parliamentary secretary please clear up the difference in that regard and tell us why the others are referred to as conventions between Canada and other countries?

I do not think there is anything further that can usefully be said at this time. Officials from the Ministries of Finance and National Revenue will undoubtedly explain to members of the committee the complexities, not so much in respect of the Statute itself, but the schedules, because there are some very difficult details of interpretation and specification which occur in these schedules that in fact lay down the rules so that double taxation may be avoided or attached. I agree with the parliamentary secretary that this bill should be referred to the committee for examination and report back to the House in due course. Perhaps before that occurs he will explain the distinction between agreement and convention.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the last bill had only one paragraph whereas this bill has 185 pages. I agree that the place for it to be dealt with in detail is in the Standing Committee on Finance, Trade and Economic Affairs. At this point I should like to indicate general agreement with the bill, the purpose of which is to avoid double taxation between Canada and the other countries mentioned in it.

If I have a particular interest in this bill it is because at least in the agreement with the Federal Republic of Germany, and I

think this applies to one or two other countries as well, there are special references to pensions earned in either Canada or the other country. In a sense this is ancillary to an agreement under the provisions of the Canada Pension Plan signed between Canada and the Federal Republic of Germany some years ago. There are some aspects of that agreement which have not been satisfactory. In part they will be corrected by this agreement on taxation having reference to pensions originating in either country. I suggest to the parliamentary secretary who is now in the Department of Finance that this is why there is a need for reciprocal arrangements between this country and others with regard to pensions. He will recall from his former incarnation in the Department of National Health and Welfare that there is a proposed bill to deal with that situation.

I believe the agreement with the Federal Republic of Germany, which is Schedule I to this bill, is to be effective as from January 1, 1976, some nine or ten months ago, which makes it desirable to get the legislation passed as quickly as possible if it is satisfactory to all concerned. In general we believe the bill merits approval and we are prepared to give it second reading so it can be sent to the standing committee.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

• (1510)

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENTS RESPECTING PREMIUMS, SHARE CAPITAL, ETC.

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-3, to amend the Canada Deposit Insurance Corporation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of this bill is to propose amendments to the Canada Deposit Insurance Corporation Act that in the main can be described to be of a housekeeping nature. This act, which established a system of deposit insurance, came into force about nine years ago and, apart from an amendment that came forward less than a year after, no changes have been made to this legislation. This indicates, I would think, that the deposit insurance scheme was well conceived; but after that length of experience it is felt that certain changes ought to be made to the act to make certain provisions more effective, to clarify others, and, generally to enable the Canada Deposit Insurance Corporation to carry out its activities more efficiently.

Before mentioning some of the proposals contained in this bill it might be appropriate to explain briefly the deposit insurance scheme as embodied in the act and mention something about the operations of the Canada Deposit Insurance Corporation, which I will henceforth refer to as "C.D.I.C.".

The main purpose of the act is of course to provide deposit insurance for the protection of persons making deposits in banks, and trust and loan companies against the loss of part or all of such deposits. The insurance covers each deposit up to $20,000. As of the end of 1975 the deposits held in 83 financial institutions were insured by C.D.I.C. This figure represents eleven banks, thirty-two federally incorporated trust and loan companies, and forty provincial trust and loan companies. The total of the insured deposits held by these institutions at the end of 1975 was just under $49 billion.

The act provides for the payment of premiums by the insured member institutions, and at the end of the last calendar year the deposit insurance fund and accumulated net earnings had reached a level of 99 million dollars.

It should be mentioned that, apart from the basic function of C.D.I.C. under the act of providing deposit insurance, it has other powers of an incidental or ancillary nature such as the authority to assist member institutions through the making of loans and the purchase of their assets. C.D.I.C. can also act as a liquidator or receiver of a member institution when appointed by a court and in such a case assume the related expenses.

The most important of the amendments proposed in Bill C-3 relates to the growth of the assets of C.D.I.C. and the rate of premium that should as a consequence be charged member institutions. The act now requires each member institution to pay an annual premium of one thirtieth of one per cent of its insured deposits but authorizes the corporation to reduce this premium if it considers the deposit insurance fund adequate having regard to all the circumstances. However, the annual premium cannot be reduced below an amount that, when added to the total of all previous premiums paid by an institution, would equal one sixth of one per cent of insured deposits. This existing formula for the reduction of premiums has proven inadequate because the rate of increase in deposits held by the institutions has been much higher than was anticipated in 1967. The result is that the premium payments are now enough or more than enough for the deposit insurance fund to maintain a reasonable growth rate.

The objective in deciding on the level of premiums that member institutions should pay is the maintenance of a fund of assets that is adequate in relation to the total of insured deposits. A good deal of thought has been given to the problem of determining when this equilibrium has been reached. There is no sure method of achieving this, but the approach embodied in the proposal is to authorize the board of directors to assess the growth rate of the fund at the end of each financial year, and where the fund is considered adequate having regard to all relevant circumstances to make rebates, subject to the stated limitations, in respect of the premiums paid for the preceding financial year.

I might note that the directors of the corporation are deputy ministers and other government officials, and not representatives of the institutions which are insured.

This bill deals with another matter that is also related to the fact that the deposit insurance fund is soon likely to be considered sufficiently large to meet present normal require-

ments and is expected to grow at an adequate rate. C.D.I.C. was created with a share capital of $10 million contributed by the government to get the corporation into operation. When the board of directors considers the fund adequate, it would seem unnecessary to continue this investment of capital in the corporation. It is proposed therefore to authorize the C.D.I.C. to redeem its shares and abolish the share capital structure. I may mention that the C.D.I.C. regularly pays a dividend on this capital equal to the rate of interest charged to Crown corporations on funds advanced to them.

A further amendment proposed in this bill concerns the definition "deposit". When the act was passed the board of directors was authorized to define that expression for the purposes of the act. When the act was amended in 1968 a time limit, March 27, 1969, was placed on the power of the board to alter the meaning of deposit which of course is of basic importance in the legislative scheme. Although the definition "deposit" is not found in the act, it is in reality part of the statute and this bill proposes to put it in a schedule to the act because of the numerous provisions involved in the definition. At the same time a few changes are being made in the definition for clarification purposes.

A relatively minor substantive proposal put forth in this bill is one giving C.D.I.C. the authority to guarantee the expenses of a liquidator of a member institution that is being wound up. Such expenses can now be paid by C.D.I.C. if it is itself appointed as liquidator, but it is felt that circumstances could very well arise where it would not be appropriate for C.D.I.C. to act as liquidator and where a professional liquidator would not wish to do so unless its fees were guaranteed.

The remainder of the proposed amendments are of a more minor nature and are for the most part intended to clarify existing provisions. Among these is a change in the provision providing for the designation of an alternate for a director who might be unable to attend a meeting of the board of directors. It was also felt that the provisions of the act regarding the subrogation of C.D.I.C. to the rights of a depositor paid off by C.D.I.C. should be clarified and strengthened. The proposal would accomplish this by specifically authorizing C.D.I.C. in its capacity as subrogee to maintain an action in its own name and by providing that C.D.I.C. can require a depositor who is being reimbursed to give C.D.I.C. a written assignment of his rights against the depository.

Those are examples of the changes proposed in this bill. It might well be that this bill could be combined for consideration by the Committee on Finance, Trade and Economic Affairs with the first of the three bills we considered this afternoon.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this bill is one that arises out of experience with the operation of the Canada Deposit Insurance Corporation Act since about 1967 when the act was brought into force for the first time.

[Mr. Kaplan.]

• (1520)

I recall those periods when there have been some rather unfortunate incidents with deposit taking institutions which, not only with regard to deposits but with regard to deposit certificates, had engaged in some rather speculative ventures and of course went bankrupt to the almost total loss of the deposit. All along the way it has been felt that there should be some form of guarantee at least to a certain limit of the deposits of individuals with various types of deposit taking institutions.

I have always felt that we should have a definition of banking which includes all deposit taking institutions subject to a general bank act. I hope I will be able to prevail rather better than ten years ago in getting my views known to the members of the Standing Committee on Finance, Trade and Economic Affairs, to members of the House, and to administrative officials, because I think we have got ourselves into a series of pidgeon holes without creating an effective credit granting system in Canada, much of it outside the legitimate purview of the Minister of Finance (Mr. Macdonald) who is held responsible for the banking policy of the government and for the economy as a whole. The present restrictions that are imposed upon him and on any minister of finance, I think, are quite wrong, quite unfair. There are some institutions in the financial world in this country operating with impunity, without any control or supervision. Of course changes in the Bank Act will attempt, with some band aids, to bring these people under some sort of mandatory supervision regarding their security and the protection of the public—not supervision and direction of their operations because there is a well established philosophical difference in that connection.

I must say that it is rather difficult for me to comment upon the purposes of a housekeeping type of bill such as this when, as a matter of fact, I was able to get a confidential copy of this bill just before 11 o'clock, even though it had been given first reading yesterday. It is rather difficult, when you are going to discuss a bill in the afternoon and you have received it just beforehand, a bill based on the existing act, to see where the amendments fit in and to make a cogent argument one way or the other. All I can say is that we will examine this in committee and by that time the Superintendent of Insurance, who is the officer of the Department of Finance charged with the supervision of the operations of this act, will be able to come forward with his assistants and explain to the members of the committee why these changes are wanted. We will then see whether other changes are required as well.

I am always mindful about the deposits of individuals and the interest they demand. I am glad to see that in the schedule which will be introduced in the bill there is a definition of the date of the deposit. I have a son who is an employee of a chartered bank. He always tells the story about an individual who came along storming some time between Christmas and the New Year insisting that the deposit which he put into a night depository some time on December 24 should carry interest for all the days that applied over the holiday and before the deposit could be handled. In any event, this bill

defines exactly what is the date of a deposit. As today's rates of interest are very high, this becomes very important.

I am glad to see this bill and I hope that the Standing Committee on Finance, Trade and Economic Affairs will meet shortly to elect a new chairman. However, I am rather sorry about another matter and I will take this opportunity to say publicly that I regret that the minister saw fit to insist that the finance committee not undertake the trip that it had arranged after a great deal of difficulty. The dates for travelling were not determined totally by the committee. They were fixed by the host countries, which in two cases faced general elections.

I think it would have been of considerable benefit to members of the House if members of the finance committee, some of whom have considerable experience with the financial operations in this country, could have an intimate look at operations in other countries. I would have thought that the ministry would have welcomed a fresh approach from members who might have picked up fresh ideas. They are not the prerogative of the officials of the Department of Finance or of the Bank of Canada. I think it was the wrong decision and the committee should have been able to undertake its program.

In my experience over many years I think this committee's only ventures from the precincts of parliament had been two times to accept invitations to luncheon from the Governor of the Bank of Canada across Wellington Street. That is as far as the finance committee has ever gone.

I can assure members of the House that membership on all sides would have benefited greatly from examining the economic situation, trade patterns, and the banking systems in Sweden, Belgium, and Germany, as well as the operations of the money market in Germany and in Paris. They have many problems similar to the ones we are facing here today. Their solutions in many instances are different from ours. Some are succeeding more than others, but I find it rather difficult to understand why members of the House who are attempting to broaden their knowledge so that we can deal more adequately in principle with some of our problems in Canada should be denied that opportunity for one reason or another. I want to say that publicly at this time because I think it was a retrograde decision.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, this bill is going to the Standing Committee on Finance, Trade and Economic Affairs and most of the details can be discussed there. Nevertheless there are one or two pieces of information which I should like to secure. We are not in committee of the whole but it may be that either the parliamentary secretary or the minister himself in closing this debate might be able to give us some of this information which I think would be useful to us before the bill is finally passed.

I gather from the statement of the parliamentary secretary, first, that one of the changes proposed is to alter the premiums which will be paid by the institutions which avail themselves of the services of the C.D.I.C. I for one would be interested in knowing two things about that. First, what losses have had to be met by the C.D.I.C., and how do those relate to the premium income which has been received by the C.D.I.C.? It is not always safe, on the basis of a fairly short experience of eight or nine years, to predicate a premium which is too low, and I would be interested in knowing just what the losses have been. Second, what reserves have been built up against a very serious situation which could develop if a number of institutions happen to get into financial difficulties at the same time?

● (1530)

Another question I want to raise is whether any thought is being given to raising the ceiling with reference to this particular program. It seems to me that, with inflation, it may be that the ceiling, which I think the parliamentary secretary said was $20,000, is probably too low at the present time in view of the dwindling purchasing power of the dollar over the past ten years.

Another question I raise is whether at the present time institutions such as banks, trust companies and so on, which can avail themselves of the C.D.I.C., are required to come under the provisions of this legislation if they are under federal jurisdiction? I can understand the difficulty with respect to bringing provincially incorporated institutions under the provisions of this bill, but it seems to me that if we are really going to protect the public some thought ought to be given to making it mandatory for all these institutions which come under federal jurisdiction to become depositors with the C.D.I.C., and I wonder if the government has done that. If it has not, is any thought being given to doing so? I think that would give the people of Canada a much greater sense of security.

The average citizen does not know—and I doubt if many members of parliament know—which financial institutions are depositors under this act and which are not, and it would give to the average individual a sense of security to know that at least all federally incorporated institutions which would be eligible to come under the C.D.I.C. are required to become depositors.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, nobody needs to worry because I am not going to speak for very long. However, I want to know from the minister or from the parliamentary secretary whether there are any women on the board of directors of the corporation. Certain of our national banking institutions have found it impossible to find, among 11,547,000 women in Canada, anybody with the capability of serving on a board of directors. I hope very much that there is a woman or women on the board of this corporation.

I myself have been proposing a change to another act, the Bank Act. The minister has been rather forthcoming about this. Surely in 1976 we should not be fooling around trying to teach bank presidents what their responsibilities are in this area. I hope that when the Bank Act is revised the whole matter of qualifications of directors will be looked at again. There is a qualification now with regard to capital stock which is quite outmoded, and I think The Canadian Bankers' Association hopes it will be changed. I hope that the government, as the bellwether of reform—or at least I thought it was—will

in this particular legislation make sure that women are represented.

It seems to me that bank directors in Canada should be fully representative by the very nature of their office and by the very nature of section 18 of the act. I hope that in this statute the government will see to it that the directors of this corporation are representative of the wide spectrum of life in this country, which unhappily is not now the case in most of our banks.

Mr. Douglas (Nanaimo-Cowichan-The Islands): One bank, one director.

Mr. Kaplan: Mr. Speaker, before I disclose the selection of the directors of the Canada Deposit Insurance Corporation I want to—

The Acting Speaker (Mr. Ethier): The Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) may have the floor only with unanimous consent because he has already spoken. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Kaplan: I would like to thank all hon. members for this opportunity to reply to some of the points which were raised. I will be very brief.

Last night I had the opportunity to discuss the issue of there not being representation by women on some boards of directors of banks, and I had the opportunity to indicate the many steps the government had taken to advance the status of women by legislation, by the human rights code, within our public service, within order in council appointments, and by campaign to change public attitudes.

It was with some satisfaction last night that I was able to note that when it was brought to public attention that banks thought they could not find women capable of filling the job, public reaction was such that the conservative bankers themselves were brought around to recognizing that their posture on the matter was unacceptable.

Mr. Knowles (Winnipeg North Centre): Aren't all bankers Conservatives?

Mr. Macdonald (Rosedale): Not a Liberal among them.

Mr. Kaplan: The chairman of the Canada Deposit Insurance Corporation, as appointed by order in council, is Gerard Gingras. The other directors are appointed by office. They are the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks, and the Deputy Minister of Finance. Hon. members will be aware that all these individuals are men.

Mr. Knowles (Winnipeg North Centre): Shame!

Mr. Kaplan: We look forward to the continued process which the government has undertaken of positive action to advance women to important jobs within the government so that in due course—and hopefully sooner rather than later—there will be a woman serving as a director of this corporation.

I want to reply just summarily to some of the shorter questions which were asked and perhaps leave others until the bill is referred to and dealt with in the committee. All institutions under federal jurisdiction which accept deposits are obliged to be part of the Deposit Insurance Corporation, but provincial institutions may become members of the corporation if their province of incorporation permits them to do so and if the powers they exercise are substantially similar to the powers exercised by federal institutions covered by the insurance.

I am interested in the idea that the ceiling might be raised above $20,000, and I would want to be able to canvas that further with officials and discuss that in the committee. I want to reassure hon. members by pointing out to them that, as I noted, the deposit insurance fund is close to $99 million at the moment, and without any further deposits being put into it and without any further premiums being paid into it, it is now anticipated to be growing at the compound rate of over 13 per cent. That would be regarded by informed observers as an adequate rate of growth, and as we are submitting, a more than adequate rate of growth to maintain the deposit insurance fund at the appropriate level.

The annual report of the corporation indicates that there has been one claim against the fund other, of course, than the claims for the cost of supervising and auditing the accounts of all the institutions covered. That claim was in 1970. It was for something over $5 million and, at the date of this particular report, at the end of 1975, over $4 million of the $5 million disbursed had been recovered by the fund. Its operations have been secure. It deserves the confidence of the House. I look forward to satisfying members of the finance committee that a reduction in premiums is justified as well as a return to the Consolidated Revenue Fund of the $10 million which was contributed by the federal government to establish the corporation.

• (1540)

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

BUSINESS OF THE HOUSE

Mr. MacFarlane: Mr. Speaker, I rise on a point of order. Since we anticipate being called to the Senate shortly, at approximately four o'clock, I believe there is unanimous agreement for putting over the motion which would otherwise have

been considered in private member's hour and recessing, or suspending the sitting, until that call to the Senate and, after we have been to the Senate, adjourning.

Mr. Baker (Grenville-Carleton): Mr. Speaker, that is agreeable to the hon. member concerned. I have consulted him about the matter. We agree, on the understanding that the notice of motion standing in his name will not lose its place on the order paper. I think that is the understanding at which we arrived.

Mr. MacFarlane: Yes. Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we agree to the suggestion, although it occurs to me that if we were to sit another 15 minutes we could clear the order paper of all the business the government has put before the House.

The Acting Speaker (Mr. Ethier): Is it agreed that we recess until the call of the bell?

Mr. Macdonald (Rosedale): Mr. Speaker, I rise on a point of order. I am prepared to bring forward Government Order No. 5 regarding the Currency and Exchange Act, and at least speak on that legislation, if other hon. members agree. I do not intend to talk for 15 minutes. Perhaps other hon. members might like to reflect on the subject of international monetary reform which is implicit in that bill.

Mr. McCleave: Mr. Speaker, with the greatest respect, if I may talk on the same point of order, since I am first on the hit parade, so to speak, which would automatically begin at four o'clock, I would not mind speaking until the arrival of the messenger from the other place and having my time subtracted from the total time I shall be allowed to speak on the motion on some other day. I hope that is agreeable. Perhaps the House leaders might consider my suggestion. At least I am here; I can make a speech, if it will make people feel better.

Mr. Baker (Grenville-Carleton): Mr. Speaker, may I touch on the suggestion of the Minister of Finance. (Mr. Macdonald) with respect to Government Order No. 5. It would be most inconvenient to consider that bill at present, the bill having come into the hands of hon. members only a short time ago. I presume it is a bill of some substance and ought to be considered after a modicum of preparation. In the circumstances that is not possible. I would not want to listen to the minister's speech unless the bill were in front of me and in front of hon. members. I wonder if the House would consent to the suggestion of the hon. member for Hamilton Mountain (Mr. MacFarlane), the deputy government whip, that we recess for a short time. Perhaps it might be appropriate to ask the House again.

The Acting Speaker (Mr. Ethier): Is it agreed that the House shall stand recessed until the call of the bells?

Some hon. Members: Agreed.

At 3.47 p.m. the sitting was suspended.

The Royal Assent

SITTING RESUMED

The House resumed at 4.03 p.m.

* * *

THE ROYAL ASSENT

Mr. Speaker: Order. I have the honour to inform the House that I have received the following communication;

Government House,
Ottawa

22 October, 1976

Sir,

I have the honour to inform you that the Honourable Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 22nd day of October, at 4 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour also to inform the House that a message has been received from the Senate informing this House that the Senate has been pleased to pass Bill C-14, an act to provide for the resumption and continuation of longshoring and related operations at the Port of Halifax, without amendment.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

● (1610)

And being returned:

The Royal Assent

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-14, an act to provide for the resumption and continuation of longshoring and related operations at the Port of Halifax—Chapter No. 1.

Mr. Speaker: Order. It being five o'clock this House stands adjourned until eleven o'clock on Monday morning pursuant to Standing Order 2(2).

At 4.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, October 25, 1976

The House met at 11 a.m.

[*Translation*]

VACANCY

Mr. Speaker: Order, please. I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Mr. J. Roland Comtois, member for the electoral district of Terrebonne, by resignation.

Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issuance of a new writ of election for the said electoral district.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED COMPENSATION OF MR. BETHUNE FOR EXPENDITURES IN OBTAINING RELEASE OF HIS DAUGHTER FROM MEXICAN JAIL—MOTION UNDER S.O. 43

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity. In view of the fact that Miss Sharon Bethune, daughter of longshoreman Roy Bethune, has been released from a Mexican jail after eight months incarceration, and in view of the fact that a Mexican judge has signed release papers showing Miss Bethune is innocent of any charges, I move:

That the Canadian government take steps to compensate Mr. Bethune for any funds he may have spent to get his daughter released from Mexico.

Mr. Speaker: Such a motion would require the unanimous consent of the House before it could be put. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

IMMIGRATION

SUGGESTED RETRACTION OF MINISTER'S ALLEGED DEROGATORY REMARKS CONCERNING IMMIGRANTS—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the inflammatory and derogatory comments made by the Minister of Manpower and Immigration concerning immigrants to Canada who, in fact, have made a very positive contribution to Canadian life, I move:

That this House deeply regrets the comments of the Minister of Manpower and Immigration and urges him to make a statement on motions retracting his divisive comments on immigrants coming to Canada.

Mr. Speaker: Order. This motion pursuant to Standing Order 43 can be presented only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

SEARCH AND RESCUE

PROPOSED JUDICIAL INQUIRY INTO ABANDONING OF "GABRIELLA"—MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to move a motion under the terms of Standing Order 43 similar to the motion put forward earlier last week. I do so in the light of new evidence which has now come to hand as a result of the coming ashore yesterday of a life raft with six bodies of the crew of the *MV Gabriella*, which means that all the 13 people who died in that tragedy died as a result of exposure, not from drowning. I would move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the government order a judicial inquiry into the abandoning of the *MV. Gabriella* off the south coast of Newfoundland.

Mr. Speaker: Under the provisions of the Standing Order there must be unanimous consent before the motion can be put. Is there such consent?

Some hon. Members: No!

● (1110)

SOCIAL SECURITY

SUGGESTED ESTABLISHMENT OF PENSION RIGHTS FOR HOMEMAKER SPOUSES—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my motion relates to a matter which is an urgent one to many Canadians and that is the reason I ask leave to move it under Standing Order 43. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That this House urges the government to bring in legislation that will establish pension rights for all homemaker spouses equivalent to the rights of those employed outside the home, and that the government commit itself to the taking of this action during the present session of Parliament.

Mr. Speaker: Order. Such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

REQUEST FOR CLARIFICATION OF MINISTER'S STATEMENT CONCERNING IMMIGRANTS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to ask a question of the Minister of Manpower and Immigration regarding that most unfortunate, foolish and unacceptable statement of his which he made to a Liberal meeting. I understand he indicated in a statement attributed to him that immigrants who may antagonize native born Canadians should not be brought into the country. On what basis could the minister make such a statement, and to which countries was he referring, keeping in mind that with that statement alone he has destroyed any credibility of this government respecting immigration, and in fact has almost destroyed the work of the joint Senate and House of Commons committee which travelled the country seeking the views of all citizens regarding immigration?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for his question. I would have thanked him a lot more if he had taken the trouble, as most members of the press did, knowing my attitude to immigrants, to check what I said before spreading across the country a false and malicious statement. I most assuredly did not make that statement and, as has been my experience in talking to any group, I make certain that everything I say is put down on tape.

[Mr. Speaker.]

I indicated that we had benefited in Canada greatly as a result of the immigrant population. In many cases these immigrants came here not only to receive the many benefits of Canada but they have in fact been beneficial to Canadians. I said that my predecessor, for example, had indicated we were now in the process of screening out some people who would take jobs that ordinarily Canadians could handle. The point I was endeavouring to make was that we would have them feeling antagonistic toward immigrants if we brought in large numbers of immigrants to take jobs away from Canadians, jobs that Canadians could fill. That would have the effect of making Canadians feel antagonistic toward them, and that is the last thing that I want to see happen.

Then, I went on to reiterate that in many, many instances these people came in as entrepreneurs, not to take jobs away from Canadians but in fact to create jobs for Canadians. If the reporter present on that occasion had seen fit to report all of my statement, I think this unfortunate report would not have received the publicity it did. I want to say that I am particularly appreciative of CJOH in Ottawa, which took the time and made the effort to bring a cameraman and crew to my house because that station did not believe this minister of immigration would make that kind of a statement. The reporters at that station at least saw fit to seek an explanation.

Some hon. Members: Hear, hear!

REQUEST FOR STATEMENT OF POLICY AND ASSURANCE NO CHANGE IN REGULATIONS

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. May I ask the minister this, so that I can have it on the record and we will not have to come back again in order to determine which way this government is going. The Speech from the Throne has this paragraph:

You will be asked to consider amendments to the Immigration Act, designed to promote Canada's regional and urban development . . . and preserve Canada's reputation as an open, tolerant society which welcomes the energy and cultural diversity of people from all parts of the world.

Would the minister give us his assurance that this is the policy that he will follow, without favour to any country? I just want that assurance from him.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, not only will that policy be followed, but actually I think for the first time in any piece of immigration legislation this will be incorporated into the bill as one of the objectives.

Mr. Alexander: A final supplementary, Mr. Speaker. I thank the minister for that part of his answer which indicated that this will be incorporated in the bill. It is as a result of the probing and the statements made on this side of the House that such a criterion and principle with respect to reunification of families, non-discrimination and refugees is being incorporated in the preamble.

May I ask the minister one last question, Mr. Speaker. In view of the minister's questionable approach and the state-

ments he said he did not make, will he assure us that there will be no further amendments to regulations under the Immigration Act? I accept the minister's statement but want him to come clean with the Canadian people. Will he give us that assurance?

Mr. Dionne (Northumberland-Miramichi): Author, author.

Mr. Alexander: Why don't you go back to sleep. Mr. Speaker, will the minister assure us that no changes to regulations under the Immigration Act will be made between the present and when the new Immigration Act is introduced, unless notice is given to this House. Can he give us this assurance, so that we can travel on an even keel?

Mr. Cullen: Mr. Speaker, to respond to the hon. member's question, I was rather hoping, for the sake of the future of Canada, that the stance and position we would take would be non-partisan. In my new bill I accepted something like 95 per cent of all recommendations which came from the special joint committee, which was made up of members of both sides of the House.

An hon. Member: That committee had a Liberal majority.

Mr. Cullen: Mr. Speaker, I thought the input came not from members and parties, but—

Mr. Alexander: Please answer my question.

Mr. Cullen: —from Canadians.

Mr. Alexander: Answer my question.

Mr. Cullen: Mr. Speaker, perhaps the hon. member will relax his back and stop giving me a pain lower down on my anatomy.

Mr. Alexander: Just answer the question.

Mr. Cullen: Mr. Speaker, I am trying to be my old self, and when I hear that kind of language, I react. Frankly, I do not foresee any changes in the regulations which would cause the hon. member consternation. I want to bring the bill before the House with as many of the splendid recommendations which came from the SJC as possible. I want not only to include their recommendations, but those of other citizens across the country who were unable to be present at the committee hearings. I think it will be a forward looking bill. The objectives spelled out in the Act will, I think, meet with the favour of all Canadians. I hope we can keep partisanship out of it, and let us keep the arguments good.

REQUEST FOR TABLING OF COPY OF MINISTER'S SPEECH CONCERNING IMMIGRANTS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, it is apparent that the pains are not only in the minister's lower back. In view of the importance of the matter, the context of the speech, the place in which it was made, at a Liberal meeting, and comparing it with the Speech from Throne, and bearing in mind the assurance the minister just now gave, is he prepared, he having said that his speech was being recorded in total, to table his speech in this House, to follow along the assurance he gave. I assure him he would have the consent of my party in order to do so.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thought the speech was great, but I am not certain it is the sort of speech one would want to have printed or tabled in the House. The point I am trying to make, if I may complete my answer, is that controversy arose as a result of the questions which were brought forward. I had anticipated writing to the press a letter indicating precisely what the question was and in what connotation those statements were made. I would be happy to send out copies of it. There is nothing secret or private about it, but tabling it in the House will not, I think, add much. I will certainly send the letter to the hon. gentleman, to the hon. member for Cape Breton-East Richmond who raised the matter under Standing Order 43. I thank him for doing that but I wish he had talked to me first. Most assuredly, my eminent critic who has a little pain and the opposition House leader will get copies, as well as any others who want them.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the interesting part about the exchange early this morning is that a Liberal party member said no to the very reasonable motion proposed earlier this morning under Standing Order 43. My question is this, and the minister has not answered it: Is he prepared to table that speech? Whether it is appropriate is not the question. Is he prepared to table that speech in the House, so that there will be no question about the context of the total speech, the minister having indicated to us that he took pains to insure that all his words would be recorded? Will he be prepared in those circumstances to table that speech? I am prepared to agree there probably are things in that speech given to a Liberal meeting which might offend the House, but it is quite important in terms of settling this matter once and for all. I think the minister would be anxious to do that.

• (1120)

Mr. Cullen: Mr. Speaker, I have nothing to hide in that particular speech. I will discuss it with my House Leader. If he thinks it is the sort of letter which should be tabled I am prepared to table it. There is nothing secretive about it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I have no objection to the minister conferring with his House Leader, but I want to know the minister's state of mind in respect of this matter. Is he willing to table the speech.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

Oral Questions

ANTI-INFLATION PROGRAM

ALLEGED EXCESSIVE INCREASE IN EARNINGS OF PROFESSIONAL GROUP—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Finance may I direct a question to the acting Prime Minister or the acting Minister of Finance. The annual report of the Anti-Inflation Board which has just been released shows that the average net income of those in the professional groups has risen from $35,700 to $40,600, an increase of $4,900 which is more than double the $2400 prescribed by the Anti-Inflation Board. I should like to ask the acting Prime Minister if this does not indicate a glaring loophole in the anti-inflation program and also what steps the government proposes to take in order to plug this loophole.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I will take notice of the question and I am sure the Minister of Finance will be happy to reply to the hon. member.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the Chairman of the Anti-Inflation Board has sought to explain this discrepancy by saying that undoubtedly some of the professional people worked harder during this year than during the base period, I should like to ask the acting Minister of Finance if it is the government's opinion that during the past year the engineers worked harder to the tune of $7,700, that dentists worked harder to the tune of $6,700, that lawyers worked harder to the tune of $5,100 and that public accountants worked harder to the tune of $4,200. If this is the basis upon which the government is allowing this very large increase in the incomes of professional groups would the minister undertake to provide the House with the data upon which they based their assumption and make that information available not only to the House but to the public.

Mr. Chrétien: Mr. Speaker, I am not in a position to give an answer to the hon. member. Of course, it would be rather difficult to measure the output of every individual who works in the professions. The rule was applied to them. Of course if someone last year had greater output than in the previous year he should receive more compensation, just like any one else who worked overtime. Of course he could have earned more money than in the previous year. I do not know about the mechanics to measure that. I am sure the hon. member will appreciate that I cannot make any precise point about it. The only thing I am sure about is that Members of Parliament, while they worked harder last year, had no increase this year.

Mr. Knowles (Winnipeg North Centre): What about next year?

[Mr. Speaker.]

FAILURE OF SOME PROFESSIONAL FIRMS TO REPORT—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, there are some 40,000 professional firms which were ordered to report and there are only 23,134 which have reported which means that 16,866 have not reported. In other words 40 per cent of the total number of professionals who were supposed to report have failed to report as of September 17, 1976. I want to ask what action the government proposes to take to ensure that the professional groups, who already are getting more than the prescribed guidelines under the Anti-Inflation Board, are not allowed also to ignore completely these guidelines by not reporting at all.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I understand that organized professionals must report to the board. I fail to see what means the board will take to compel them to do so, but I am sure the law will apply to them as it does to others.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR INCREASED FUNDS

Mr. Gérard Laprise (Abitibi): My question is directed to the Minister of Manpower and Immigration.

Can the minister tell the House whether representations have been made with a view to increasing the moneys allotted LIP so that other good projects, the so-called buffer projects, can be accepted? Could the minister also tell us whether he has asked Treasury Board for additional moneys so that more new jobs can be created since unemployment will be higher this coming winter?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, once again we have an initiative shown by the federal government which has turned out to be singularly successful.

Some hon. Members: Hear, hear!

Mr. Cullen: As to whether I have received representations on the amount of money being increased, I think the number of different constituencies involved is now up to 187. So, yes, I have been receiving representations.

[*Translation*]

Mr. Laprise: Mr. Speaker, on a supplementary.

Can the minister tell the House whether the study of the projects recommended to him will soon be completed and whether he will announce them so that the work on such projects as have been accepted can start in early November?

[*English*]

Mr. Cullen: The process is ongoing now. I am not too sure of the exact time when the statements will be made. I believe some are coming to my desk this week, however, for signature. I am not too certain of the particular areas in which they are.

* * *

STATISTICS CANADA

AUTHORIZATION FOR USE OF DATA OR FACILITIES OF ORGANIZATION BY EMPLOYEES FOR PRIVATE PURPOSES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce involving Statistics Canada. Will the minister state unequivocally at this time whether any authorization existed or exists from anyone in authority at Statistics Canada allowing employees to perform any job or duty not connected with their responsibilities in StatsCan which involved permission to use StatsCan data or computer facilities for their own purposes?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, as far as I know, no employee of Statistics Canada was authorized to use information he might have received at Statistics Canada. In the case recently mentioned in the House, I indicated what steps were taken and what penalties were inflicted. I could perhaps give a few more details. The chief statistician, at the time the incident occurred in 1974, notified the RCMP the very day she received the information, that is on a Friday, and the RCMP launched its inquiry the following Monday.

[*English*]

Mr. MacKay: Mr. Speaker, I wonder if the minister has had an opportunity to clarify the statements of the former city of Ottawa planner, Morris Jacobsen, that moonlighting Statistics Canada employees were operating with the written permission of the then chief statistician Sylvia Ostry, in contrast to Dr. Ostry's fuzzy reply which seized upon the interpretation of the word "reformating" while indicating that this was not the case. Has the minister had an opportunity to discuss the matter fully with all of those involved, or does he find it as complex as Mrs. Ostry who is quoted as saying she read the *Globe and Mail* article three times and found it too complex to understand?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I did not talk to Mrs. Ostry because she is no longer in the same office. I had two or three conversations with the new chief statistician of Canada, and I intend to meet him again today or tomorrow to get more information on the subject. But I was pleased with the one I got up to now, and if the hon. member wants to raise other points, I will always be very pleased to clarify, for the benefit of the House, any controversial issue.

● (1130)

[*English*]

POSSIBLE CHANGE IN PROCEDURE TO EXPEDITE RELEASE OF PUBLIC INFORMATION

Mr. Elmer M. MacKay (Central Nova): When the minister is having this meeting, would he indicate whether he will consider measures to reclassify or change the format of Statistics Canada so that information which is truly confidential can be looked after in a more efficient way and information which perhaps ought to be released to the public could be released with some expeditiousness, so that this type of situation would not be so apt to occur again?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of this technical problem. As the hon. member pointed out, I certainly share his view that confidential information provided by individuals to this government organization should remain confidential, so that the system may operate with the maximum integrity and confidence. I feel also that documents and information of a public nature should be released as soon as possible, so that an employee may not be faced with a dilemma, when in possession of information which, although already released to the public, remain apparently virtually unknown to the public as a whole. This is an extremely serious problem, but I repeat that Statistics Canada must operate without any outside interference and with maximum credibility, because this government agency has always enjoyed in the past an impeccable reputation, and it is essential, in the interest of all Canadians, that it continue to do so.

* * *

[*English*]

ENERGY

SUPPLYING OF HEAVY WATER FOR REACTOR IN PAKISTAN—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. I would like to ask the minister whether he thinks it was proper for AECL to supply heavy water to Pakistan for the repair of a broken reactor, given the fact that negotiations are still going on with that country about safeguards. More significantly and specifically, was this decision on the part of AECL to make heavy water available discussed with the minister?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think it was entirely appropriate for Canada to supply a very small amount of heavy water on a temporary loan basis while that particular reactor was in some difficulties. The question really amounts to this: if that heavy water had not been provided at that time, that particular reactor would not have been able to operate, which would have plunged one million or more people in Karachi into darkness. At the same time, the government has been trying to negotiate a new set of standards with the government of Pakistan. I am

not at this time in a position to indicate the status of those negotiations, but they are going on. This particular amount of heavy water was made available without prejudice to those negotiations, and yes, that particular decision was discussed with me and, indeed, authorized by me.

* * *

EXTERNAL AFFAIRS

PROPOSED SALE BY FRANCE OF URANIUM REPROCESSING PLANT TO PAKISTAN—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, I would like to ask my supplementary of the Secretary of State for External Affairs, but in his absence, I suppose I should ask the Acting Prime Minister. What protest did Canada make to France over its attempt to sell to Pakistan a process whereby the waste or the material from our reactors could be used for weapons? What protest did Canada lodge with France over its attempt to sell that technology to Pakistan?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I gather the hon. member is referring to the proposed sale of a reprocessing plant by the French authorities to Pakistan. Part of our negotiations with Pakistan has been to emphasize our opposition to its acquisition of a reprocessing plant, and undoubtedly the final result of the negotiations will be dependent upon what happens with regard to that particular item, although we have no indication at the present time that that decision has been altered. Our views on that question are well known to the French government, but I cannot recall whether a specific representation on the issue has been made to the government of France.

AGREEMENT WITH PAKISTAN FOR SALE OF NUCLEAR MATERIAL—POSSIBILITY OF DEBATE PRIOR TO RATIFICATION

Mr. James Gillies (Don Valley): I am sure the minister is aware that the government of the United States did take official action in protesting that sale to France, but will the government bring to this House, before ratification, for debate and discussion any agreement it proposes to sign with Pakistan with respect to additional provision by Canada of nuclear material or reactors?

Hon. Allan J. MacEachen (Acting Prime Minister): It is premature at the moment to decide or to contemplate that a successful negotiation will result. We hope that that will be the case, but it is not certain. Up to the present time, the government has taken the position that these agreements should not be brought before parliament for ratification before they are concluded. That has happened with respect to several others, and I think it should happen in this case.

Mr. Gillies: After Argentina and Korea?

[Mr. Gillespie.]

TRADE

CRITERIA TO BE USED IN SELECTING EXPORTER TO RECEIVE GOVERNMENT SUPPORT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce, but first I would like to congratulate him on being promoted to head by far the most interesting department in the government.

Some hon. Members: Hear, hear!

Mr. Hees: As the minister told the Canadian Exporters' Association on Tuesday that in future the government intends to back only one exporter bidding on important orders, would the minister take the first opportunity on motions to advise the House what criteria will be used to choose the one exporter who will merit government backing, thus leaving all other Canadian companies wishing to compete for the business out in the cold?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I said that in some cases it could be that I will have to do that because sometimes we do not manage our affairs too well. For example, I know of one instance where two Canadians apparently were outbidding each other in Russia, and they left $2 million on the table at the end of the day. Everyone will be invited to compete, but it could be that in some instances when we feel that it is in the best interests of Canada, we will decide to pick one rather than have a situation where five or six Canadians will compete when there is only one British, French or German consortium. Perhaps I said that in some cases I would do that, but I did not say that in all instances I would do that.

Mr. Hees: Is the minister aware that after he finished speaking it was the very strongly expressed opinion at the Canadian Exporters' Association meeting that this country would stand a far better chance of landing these orders if the government advised all potential competitors for an order what assistance the government would be willing to provide and then let the interested companies bid for the order on the basis of price, quality, service and design? Any other procedure would create a bureaucratic nightmare which would do great harm to the exporting industry of this country.

Mr. Chrétien: I am very surprised that the hon. member said that the people there were not happy with what I said because in all humility I have to tell the hon. member that they gave me a standing ovation.

Some hon. Members: Hear, hear!

Mr. Hees: The standing ovation was due to relief that the minister had finished his speech.

Some hon. Members: Hear, hear!

Mr. Hees: As the government seems to have decided upon this new policy despite the advice of the people who carry out

the export business of the country, will the government make sure that the criterion for selecting those who receive this government backing will not simply be proximity to the Liberal Party, as so often has been the case in the awarding of DREE grants and other government favours?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR EXTRA FUNDS FOR CAPE BRETON AREA

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the announced intention of the Sydney Steel Corporation to lay off another 200 employees, and in view of the fact that this will greatly intensify the already disastrous unemployment situation in the Cape Breton industrial area, will the minister give further consideration to extra funding through LIP grants, which were so badly slashed by his predecessor?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, there are areas in the country where this kind of thing has occurred after the figures were set. From time to time there is slippage in certain areas where all the money is not used or the programs end, and when that happens we try to help out in this way in regions which are in some difficulty. I cannot make a promise; I can simply indicate that we are aware of situations like this, and we do try to do some levelling out or to bring some equity to the situation.

LOCAL INITIATIVES PROGRAM—PROPOSED REVISION OF FORMULA TO GIVE MORE ACCURATE PICTURE OF UNEMPLOYMENT IN AREA

Mr. Andy Hogan (Cape Breton-East Richmond): My supplementary is to the same minister. There is an over 65 per cent discrepancy between the figures used under the formula devised by LIP officials and the local manpower estimates concerning unemployment in all three ridings of Cape Breton Island. Will the minister consider meeting with the members from that area and the manager of the manpower office serving these areas to get a more accurate picture of the unemployment crisis?

● (1140)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, my information is that the formula used for the distribution of funds to constituencies was basically the same as last year, with some modification designed to ensure that the funds were directed to areas of highest unemployment. I believe, but I am not certain, that there is a question on the order paper, the answer to which will spell this out in some detail. The question period would not give me the opportunity to go through all the ramifications but we in fact receive our information from the same area, Statistics Canada, when they are making up their projection.

LOCAL INITIATIVES PROGRAM—POSSIBILITY OF ERROR IN STATISTICS CANADA REPORTS ON UNEMPLOYMENT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my supplementary question is also for the Minister of Manpower and Immigration. Does the minister know that the criteria in the Statistics Canada report is inaccurate and could be out by some 25 per cent and that the department recommended fundamental changes in the information gathering system? There is a gross distortion and two years ago the department agreed that this was so and said that reforms would take place. Unhappily nothing has happened in the interim.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I am not familiar with the facts stated by the hon. member for Fundy-Royal, but I do know that each time we endeavour to get into this particular breakdown of unemployment figures on a constituency by constituency basis there are difficulties. You might have an individual registering at a particular manpower office who could well come from the environs. That makes one area look as though it has high unemployment whereas in point of fact that unemployment is created in the regions around. More important, it seems to me that we should go back to the original system of having members of parliament in the area figure out some criteria or pooling arrangement. It seems to me that members of parliament are probably as well equipped to cope with this as anybody and maybe that is an area we should examine again. Every time we suggest this, however, we are accused of using patronage or trying some other system. I have enough faith and confidence—

Mr. Fairweather: If you use all members it is not patronage.

Mr. Cullen: Very definitely; all MPs, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

ALLEGED SECRET LIST OF DOCTORS TO WHOM CLAIMANTS REFERRED—REQUEST FOR TABLING OF LIST

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is also for the Minister of Manpower and Immigration. Has the government secret lists of medical doctors to whom the staff of the Unemployment Insurance Commission must refer claimants when the opinion of an individual doctor is required in order to process claims?

Hon. Jack Cullen (Minister of Manpower and Immigration): I am sorry, Mr. Speaker, I did not hear the hon. member's question.

Mr. Towers: I will repeat the question, Mr. Speaker. Has the government secret lists of medical doctors to whom the staff of the Unemployment Insurance Commission must refer claimants when the opinion of an independent doctor is required in order to process certain claims?

Mr. Cullen: Mr. Speaker, I have confidence in the members of the medical profession of this country of all political persuasions; they are all good. I would not have any hesitation in referring these claimants to any doctor in Canada.

Mr. Towers: A further supplementary, Mr. Speaker. Apparently the minister did not grasp the significance of the question. Are such lists compiled in Ottawa and on what basis are doctors chosen? Would the minister be prepared to table the list of medical doctors to whom the UIC refers claimants?

Mr. Cullen: Mr. Speaker, in the last week and a half I have been dealing with job creation and immigration. I shall undertake to look at this situation, however, and see if the member's innuendo is correct. If it is, I shall do what I can to correct it.

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CANADIAN PACIFIC RAILWAY

WITHDRAWAL OF HOPPER CAR SERVICE—REQUEST FOR REPORT

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. On Monday, October 18, I asked the minister a question with respect to the withdrawal of hopper car services on branchlines of the Canadian Pacific Railway in Saskatchewan. The minister said he did not have knowledge of any general withdrawal but that he would look into the situation. Can he advise whether he has had an opportunity to investigate the situation and, if so, what steps he has taken to reinstate hopper car service on these branch lines?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have looked into the matter and as I suspected there has been no general withdrawal of hopper cars from branch lines by the Canadian Pacific Railway. There were some lines where track is lighter than the track required to carry fully loaded hopper cars and because elevator agents were overloading those cars the railway found it necessary to withdraw the cars. There are specific lines where that happened and in those cases the hopper cars have been taken off the lines.

Mr. Neil: A supplementary question, Mr. Speaker. I wonder if the minister would indicate where he obtained that information. Early this summer I received information from the CPR to the effect that the withdrawal had been general on all branch lines in Saskatchewan.

Mr. Lang: Mr. Speaker, for one thing it would only relate to those lines where the track weight supports only 220,000 pound and not 263,000 pound carriage. Branch lines in the heavier category would not be affected. I am reporting to the hon. member, however, the information obtained by my officials in checking, I presume, with the Canadian Wheat Board.

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ENERGY

OIL—POSSIBLE USE BY UNITED STATES OF ABANDONED IRON ORE MINES IN NEWFOUNDLAND FOR EMERGENCY STORAGE

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It is prompted by a statement made in Washington last week to the effect that a decision had been taken by the United States government on several locations for the storage of strategic oil supplies within the United States. They were said to be considering the use of using the abandoned iron ore mines at Bell Island, Newfoundland as a site which would satisfy the needs of part of the eastern seaboard of the United States. It was reported that no decision had been taken, however. Since the minister has visited this economically depressed town as a result of the abandonment of the mines, may I ask if he has consulted or has he used the pressure of his office and the government of Canada to get a favourable decision from the United States government and has he encouraged a favourable decision?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, many years ago, before I was ever a member of this House, I had the opportunity to go down this particular mine so I have first hand knowledge of the enormous cavern it represents in terms of emergency storage. As the hon. member knows, emergency storage is one of the key elements in our energy strategy for Canada. Having first determined that the Newfoundland government would support this particular facility for oil storage, I raised this question some months ago with Mr. Elliott Richardson a member of the United States cabinet with special responsibilities for energy, and I also talked to Mr. Frank Zarb, federal energy administrator. I put the case to them that there is a great facility here which is more than Canada can use by itself but we would be interested in it if they were to decide that they could use it as well. I think this is perhaps an opportunity for Canada and the United States to share some of those facilities. I am happy to hear that press reports indicated a not unfavourable response from the United States.

Mr. McGrath: A supplementary question, Mr. Speaker. May I ask the minister if he has any means of expediting the decision of the United States authorities bearing in mind the fact that eastern Canada is just as vulnerable to another oil boycott by the Middle East and if the government of Canada, doing its part, will make a decision to store strategic oil supplies in this mine it could be the catalyst that would touch off favourable decisions elsewhere?

Mr. Gillespie: Mr. Speaker, I have already indicated that the Canadian government would be interested in some kind of participation. The hon. member must realize that particular

mine would store something like 100 million barrels of oil or oil products or a combination of both. This is clearly beyond the economic ability of Canada to handle by itself but if the United States decided it fitted in with its strategic requirements I would hope we could negotiate for a portion of the particular facility. The hon. member would realize it would probably not be economic to go in with a very small proportion and that the only way it could be made economic would be if the largest part of the facilities were used.

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EXTERNAL AFFAIRS

REASON FOR USE OF CERTAIN LAWYERS TO OBTAIN RELEASE OF SHARON BETHUNE—POSSIBLE RECOMPENSE FOR COST

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question was for the Secretary of State for External Affairs but in his absence I will direct it to the government House Leader. It concerns Miss Sharon Bethune who was released last Friday from a Mexican jail after having been proven innocent of any charges. Can the minister advise this House why the Canadian consulate in that area would not use the two Mexican lawyers hired in the last months by the Canadian government but referred them to a Mexican lawyer who charged an awful lot of money to prove the girl innocent? Can the minister also tell the House whether the government is prepared to help Mr. Bethune with the excessive costs incurred in proving the innocence of his daughter?

● (1150)

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I do not have the details to answer that specific question. The fact is, as the hon. member has pointed out, Miss Bethune has been released. She has been re-united with her family. That is a positive step. However, in this and other cases we fail to understand the long delays that are occasioned by retention in Mexican prisons; in this case the long period of time with a finding of innocence is particularly disturbing.

POSSIBILITY OF A TREATY WITH MEXICO TO PROTECT CANADIAN CITIZENS

Mr. John Reynolds (Burnaby-Richmond-Delta): When is this government going to start negotiating with the Mexican government in a similar way that the United States government has been negotiating this last while and are now at the point of signing a treaty with Mexico to protect American citizens while in Mexico? Is this government prepared to negotiate with Mexico so that these wrongdoings will not happen again?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the fact is these procedures that we find so unusual and so unacceptable are in accordance with Mexican law and practice. It was my experience as Secretary of State for External Affairs that we did make representations to the Mexican authorities through the ambassador and our embassy. We sought and received co-operation. The fact is, however, that these procedures are the result of a practice in Mexico. I doubt whether the American government will succeed in repealing Mexican law in any treaty. Certainly, we will secure the best possible treatment for Canadian citizens. I am sure the Secretary of State for External Affairs will be making further representations on this particular issue.

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INDUSTRY

PROPOSED STEEL COMPLEX FOR CAPE BRETON—REQUEST FOR PROGRESS REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In light of the severely high unemployment rate in Cape Breton and, as the hon. member for Cape Breton-East Richmond pointed out, the closure of other industries, layoffs in the Sydney steel plant and the prediction that 200 more will be laid off by the end of the year, are the minister and his officials working closely with Premier Regan in order to try to bring a new steel complex to Cape Breton Island? Is the minister in a position to give a brief but encouraging report on these efforts the federal government is making in this endeavour?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, Premier Regan came to Ottawa a few weeks ago and met, I think, six or seven ministers and their officials to consider the project. Later on he met the businessmen concerned. We are now studying the proposition, but I do not think a decision will be made in the immediate future. However, we are very interested in the project of Premier Regan.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Arnold Malone (Battle River): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact the meat industry is entering its fourth year of operation at below the cost of production and there have been 29 ad hoc short-term policy statements with no long-term meat policy, will the Acting Prime Minister recommend to cabinet that the Minister of Agriculture tender his resignation?

Mr. Speaker: Order, please.

Oral Questions

AUDITOR GENERAL

IMPLEMENTATION OF RECOMMENDATIONS OF INDEPENDENT REVIEW COMMITTEE—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in the absence of the Minister of Finance, I will direct my question to the President of the Treasury Board. In light of recent criticisms by the Auditor General with regard to the government's financial mismanagement and poor control practices, will the minister advise whether the government will be implementing any of the 47 recommendations contained in the report of the Independent Review Committee on the office of the Auditor General. These recommendations were made to strengthen the Auditor General's department.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I think I have answered similar questions, but I will repeat and elaborate. When the House sees the Auditor General's Act which will be before it very shortly, it will be seen that great progress is being made to that end.

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AIRPORTS

VANCOUVER INTERNATIONAL—GOVERNMENT POSITION ON THIRD RUNWAY

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Transport. Will the minister advise the House at what stage the deliberations are concerning the so-called third runway at Vancouver International Airport?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, some further studies of an environmental nature were seen as necessary before any final decision was taken. In the meantime, a certain amount of regular fill that is available without impact upon the waters nearby is being obtained and arranged for pre-loading in the runway area. That is being done without prejudice to a decision about the runway.

Mr. Fraser: Has a definite decision been made to go ahead with a third runway, the details of which are still to be decided?

Mr. Lang: No, Mr. Speaker, quite to the contrary. I am saying that no decision has been taken to go ahead with the runway.

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ENERGY

FUNDY TIDAL POWER PROJECT—POSSIBLE ESTABLISHMENT OF PILOT PLANT ON CAUSEWAY BETWEEN ANNAPOLIS AND GRANVILLE FERRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. As the minister is aware, a $3 million study has recently been completed on the feasibility of establishing Fundy tidal power and the same three sites as previously recommended have been endorsed again for the construction of causeways and the necessary equipment required to harness this amazing energy. In light of the fact that a fourth causeway is already in place, namely the causeway which exists between Annapolis and Granville Ferry, and in light of the fact the Nova Scotia government has indicated there will be an increase of 65 per cent for electrical energy in Nova Scotia, is the minister giving thought to establishing a pilot plant on the causeway already in place between Annapolis and Granville Ferry? If so, will he give the House some indication of his department's plans? Will he throw a little light on the subject?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, it would be premature to give any undertakings of that kind at this time. Phase one, which was a joint federal-provincial, Nova Scotia-New Brunswick-federal government study into the potential of Fundy tides, particularly the economics of the Fundy tides, has just been completed. Phase two will be starting very shortly. That should be concluded very early in the new year. The study which has been done has, I think, confirmed the technical feasibility. It has indicated a range of indexing, and I want to emphasize the word indexing, of the economics of a number of alternative sites. Out of some 37 sites looked at, eight seemed to have significant potential. As the hon. member indicated, three or four of those eight have been chosen for further work.

* * *

INDIAN AFFAIRS

PROPOSED TRANSFER OF LAND TO REED PAPER COMPANY—PROTECTION OF NATURE RIGHTS

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, I wish to direct my question to the acting minister. In view of the fact that the Reed Paper Company and the province of Ontario are currently secretly negotiating the transfer of 16 million acres of forest land from the province to the company and considering that in this huge area of land there are seven major Indian reserves whose people have not been consulted about the proposed land transfer, I wish to ask the acting minister if the federal government has discussed this matter with the provincial government, especially with a view to ensuring that neither the treaty rights nor the livelihood of the native people in the area will be jeopardized?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): In replying for the minister, Mr. Speaker, I can advise the hon. member that to the best of my knowledge there have been no discussions between the federal and provincial governments regarding this matter. However, I can assure him that the position of the federal government is that native rights, claims and interests are uppermost in our mind. If these are in any way threatened,

I can assure the hon. member and all other members that the federal government will become very active and involved.

Some hon. Members: Hear, hear!

Mr. Symes: Can the parliamentary secretary assure the House on behalf of his minister that the government will make representations to the government of Ontario on behalf of the native people and, if necessary, provide legal counsel and financial assistance to the Indians to prepare a case against such a huge land transfer.

● (1200)

Mr. Penner: There are regular consultations between the Department of Indian Affairs and Northern Development and the Grand Council, Treaty No. 9. If such a development plan were to go ahead, the department would be active in a number of specific ways. Consultation will certainly continue, and if there is a request from Treaty No. 9 for legal counsel or other necessary services, we shall discuss the matter and provide the assistance where it is possible to do so.

* * *

ENERGY

FUNDY TIDAL POWER PROJECT—POSSIBLE ESTABLISHMENT OF PILOT PLANT ON CAUSEWAY BETWEEN ANNAPOLIS AND GRANVILLE FERRY

Mr. Lloyd R. Crouse (South Shore): A supplementary question to the Minister of Energy, Mines and Resources, Mr. Speaker. In the light of the fact that the causeway is already in place and since there are gates in place to control the flow of water into and out of the Annapolis Basin, and all that would be necessary to harness this flood would be the establishment of a generator at the site, would the minister at least undertake to look into the possibility of making use of this available power immediately and give a report to the House.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): I will take a very close look at that representation.

* * *

[*Translation*]

HOUSE OF COMMONS

RESIGNATION OF MEMBER FOR LANGELIER

Hon. Jean Marchand (Langelier): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Langelier on a point of order.

Mr. Marchand (Langelier): Mr. Speaker, it is with deep regret that I leave the House of Commons where I have lived hours of anguish, but also moments of enthusiasm and great joy.

I have been impressed in general with the working of this great institution and with the behaviour of its members.

[*English*]

I may be wrong, but I think I have found here many friends on both sides of the House and in several cases our friendship will last a long time, if not for ever.

[*Translation*]

I want to emphasize, Mr. Speaker, the admiration I have for the competence, the dignity and the impartiality with which you carry on your high functions. A man of such quality is very rarely seen.

I am leaving for a political climate which is probably more perturbed than the climate one finds in this honourable House. I am sure I will have all your sympathy in the battle I am going to fight.

Au revoir, good-bye, *adios amigos, shalom,* and long live Quebec *dans un Canada uni*!

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I do not think I can equal the multilingualism of the hon. member for Langelier (Mr. Marchand), but on behalf of his friends on this side of the House I want to say that, even though we have had minor disagreements from time to time about particular aspects of national policy, we have all enjoyed his presence here.

[*Translation*]

We know that it is his belief in the principles of federalism which has led him to the House of Commons to fight for those same principles. Now he believes he has to make the jump onto the provincial scene.

[*English*]

I would not presume to say anything which might intrude upon the decision which the voters of Quebec will have to make in November but I think I can say on behalf of all my colleagues here that we esteem the reasons which brought the hon. member for Langelier into the House of Commons; we have enjoyed his combative presence here in this chamber and wish him very well in the challenges which lie ahead.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): On behalf of my colleagues, Mr. Speaker, I wish to thank the hon. member for rising on a point of order instead of just walking out and leaving the place, so that we can say these few words of farewell to him.

As has already been indicated, his presence in the House has not gone unnoticed. In fact, I am reminded of another occasion when one prominent member said of another that the House would never be the same without him. We particularly appreciate the reference the hon. member made to the friendships he has formed in this House and he is perfectly right in saying that those friendships will continue. We support and approve the emphasis he has indicated he is taking into the

battle in which he is about to engage, and whatever his future may be, on behalf of my colleagues I say to him: bon chance!

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, as I was listening to the hon. member who was giving his resignation speech a while ago, I thought he would follow the footsteps of his colleague, Mr. Langlois, and depart smoothly. But we are now talking politics and it is a good start for his electoral campaign to make such a fuss. As a Quebec member, I wish him the best of luck because I know he is taking on a very difficult job. According to the comments I received this week, he will have a lot to account for to the Quebec people as he will certainly have to face over there the same ultimatums he was presented with, here, in this Chamber. He has accepted a most difficult task, this is why he has my sympathy and I wish him good luck.

[*English*]

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I listened to my hon. friend and colleague with mixed emotions which I am sure are shared by all members, some of which have already been expressed. I certainly regret his departure from the House of Commons. If not the most colourful and dynamic member of the House, he has certainly been among the most colourful and dynamic. His rising to speak in this chamber always assured that the seats were rapidly filled in order to listen to his fiery and effective presentation.

On the other hand, it is heartening to realize that the hon. member still has a sense of purpose and the enthusiasm to enter the lists in the Province of Quebec, and that when other politicians may be thinking of retiring he is taking on a new challenge in his native province. In the more than ten years he has spent in the House he was worked effectively not only for his own constituency but for the people of Canada. He has held a number of very important portfolios through which he has had considerable impact upon the people and the institutions of the country. He can be assured that he is leaving the House with the knowledge that his contribution has been substantial. All I can say is, we wish him well and good luck in his new endeavour. It may be that, when he has completed his assignment in the National Assembly, we can look forward to seeing him back again in the House of Commons.

* * *

● (1210)

[*Translation*]

VACANCY

Mr. Speaker: It is my obligation to accept officially the resignation of the hon. member for Langelier, but before doing so I should like to add a few words and extend to him my personal thanks. The hon. member for Langelier is a very distinguished member of parliament who, in spite of his spirit, has always respected the decisions of a new Speaker, and I thank him for this constant cooperation.

[*English*]

The hon. member has distinguished himself by being a passionate and devoted fighter for the French fact in Canada, an endeavour which has stood him in good stead among his countrymen as well as among all members of the House, regardless of how heated the battle may have been. His clear understanding of that fact, and his passionate devotion to it, have served all Canadians during his time in this House. Certainly, his membership in the Quebec National Assembly will, I think, in that respect continue to serve not just that province, but the interests of all Canadians as well.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: The hon. member for the riding of Langelier having given notice of his intention to resign his seat, it is my duty to inform the House that, after this notice has been entered by the clerk on the journals of the House, in accordance with clause 6(1)a) of Chapter H-9 of the Revised Statutes of Canada, 1970, the House of Commons Act, I shall address my warrant without delay to the Chief Electoral Officer to issue a new writ of election for the said electoral district.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I want to raise a point of order at this time. I am sorry that the hon. member for St. Boniface (Mr. Guay) is not here. I was looking for him on Friday, but he was not here then either. This matter occurred on Thursday evening and relates to his activities in the House as chief government whip.

I want to bring this point of order to your attention because I think the actions of the hon. member for St. Boniface clearly reflect upon the responsibilities and duties of each and every one of the members of parliament, regardless of the side of the House on which we sit. I refer to the fact that the chief government whip—and this has been my observation—has been keeping an attendance record, I think particularly of members of the opposition.

I rise at this point because in his remarks last Thursday evening, as reported at page 347 of *Hansard,* during the course of a speech being made at the time by my colleague from Winnipeg South Centre (Mr. McKenzie), he mentioned the fact that he had been keeping a record of attendance and could establish when members of our party were here or were not here. The implication in his remark, Mr. Speaker, is that if by chance a member on this side did not happen to be in the House of Commons at any particular time he was not performing the tasks for which he was elected. Personally I, and I think certainly Your Honour as Speaker of the House presiding over our deliberations, would be most anxious to make sure that there is no reflection cast on the carrying out of the duties and responsibilities of members of parliament. I say to the hon. member for St. Boniface, if he reads this record, that all of us

are obliged to make our declaration, as is provided for, respecting our attendance and the carrying out of our responsibilities in order to receive our emolument as members of parliament. We all have responsibilities to our constituents.

The hon. member for St. Boniface's own colleagues have been saying publicly that part of our duties as members involves getting out to our constituencies. We have committee responsibilities. We have responsibilities as members of parliamentary delegations. The mere fact that we are not sitting in this House on a particular day or for a particular period of time should not, with respect, be interpreted as being some sort of abdication of our responsibilities as members of parliament.

The reason I raise this point, Mr. Speaker, is that it seems to me that as Speaker of the House, as the chief magistrate of the House, there should be some direction from yourself with respect to the keeping of attendance by any member for a purpose which is inconsistent with the rights and responsibilities of a member of parliament. If I may quote what the hon. member for St. Boniface said:

> I will prove that you are never here five days a week and I have got the records right here. Anybody who wants to see them I have them right here.

I say that those words are in fact a very serious reflection on the attendance of members of this House and on the carrying out of their responsibilities. I ask Your Honour whether you would please give consideration to making the direction that the chief government whip cease and desist from carrying out this schooltime attendance proposition of his. If he wants to keep attendance let him keep it of his own members. They have a lot to answer for themselves.

Mr. MacFarlane: Mr. Speaker, I think the hon. member for St. Boniface (Mr. Guay) would prefer to reply to that himself. I might say that the reason he was unavailable on Friday was that he was having a serious operation on his jaw. I hear some hon. members opposite laughing. It is not a humorous matter. We are not children here. We should be able to recognize a serious problem which occurs to backs, jaws, arms. That sort of thing does happen.

Mr. McKenzie: How was that recorded in the book? How are his actions recorded in the book?

Mr. MacFarlane: I might point out that the same kind of remark from the hon. member was the reason the whip made the reply he did. Possibly the interchange between the two hon. members should be discussed. I think the whip could set the matter straight, and certainly we should hear the total story.

Mr. Speaker: This point is raised by way of a point of order and it has been replied to. The hon. member for St. Boniface (Mr. Guay) may have something to add to it. The fact of the matter is that reflections upon the personal performance of a member can scarcely ever be in order. I say "scarcely ever" only because it might be possible to convince the Chair that they could in some way be in order, but they are almost always totally irrelevant to the matter being debated, to start with, and possibly out of order on a number of other grounds.

While the Chair could never do anything to interfere with note-keeping by any member of the House—because after all that is a personal exercise for any member of the chamber to undertake—the use of it in debate would, in my view, be extremely questionable so far as any reflection on the personal performance of any member is concerned. I fail to see how that could be in order, in the first place, in terms of relevancy; and in the second place it likely would be very close to this kind of personal reflection upon the conduct of a member that has traditionally been ruled out of order. Therefore, while the practice cannot be prevented, I fail to see how it could ever be used at all in the course of debates in this chamber.

ROUTINE PROCEEDINGS

[*English*]

Mr. Speaker: Introduction of bills. The hon. member for Vaudreuil (Mr. Herbert) has a considerable number of bills to be introduced. He has indicated to the Chair that because of the number he does not wish to speak in explaining each bill. I think there are 16 in all. If it meets with the approval of the chamber at this time I will introduce them individually. I will not reflect on their procedural regularity, but will enter the same caveat as I did with respect to the list of private members' bills introduced, I believe, on Friday of last week. If that procedure is in order, I might call all 16 bills standing in the name of the hon. member for Vaudreuil (Mr. Herbert). Is that agreed.

● (1220)

Some hon. Members: Agreed.

* * *

PRIVATE MEMBERS' PUBLIC BILLS

FIRST READINGS

Bill C-360, An Act to amend the Interest Act.—Mr. Herbert.

Bill C-361, An Act to amend the Canada Elections Act (publications of the result of opinion polls).—Mr. Herbert.

Bill C-362, An Act respecting Crown corporations (not agents of Her Majesty).—Mr. Herbert.

Bill C-363, An Act to amend the Immigration Act.—Mr. Herbert.

Bill C-364, An Act to amend the Public Service Employment Act (discrimination as to age or physical handicap or health).—Mr. Herbert.

Bill C-365, An Act to amend the Canada Labour Code (three weeks annual vacation).—Mr. Herbert.

Bill C-366, An Act to amend the Canada Labour Code (discrimination as to age or physical handicap or health).—Mr. Herbert.

Bill C-367, An Act to amend the British North America Act, 1867 (National Capital of Canada).—Mr. Herbert.

Bill C-368, An Act to amend the British North America Act, 1867 (tenure of place of Senators).—Mr. Herbert.

Bill C-369, An Act to amend the Broadcasting Act (advertising on children's programs).—Mr. Herbert.

Bill C-370, An Act to amend the Canada Labour Code.—Mr. Herbert.

Bill C-371, An Act to amend the Criminal Code (abortion).—Mr. Herbert.

Bill C-372, An Act to amend the Criminal Code (obscene broadcasting).—Mr. Herbert.

Bill C-373, An Act to amend the Holidays Act.—Mr. Herbert.

Bill C-374, An Act to amend the Canada Labour Code (fair employment practices).—Mr. Herbert.

Bill C-375, An Act to amend the British North America Act, 1867 (tenure of Senators).—Mr. Herbert.

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[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, October 21, consideration of the motion of Mr. Maurice Harquail for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Bernard Loiselle (Chambly): Mr. Speaker, before beginning my remarks, I would like to tell the House how much I regret Mr. Marchand's (Langelier) departure. However, I am convinced that every one recognizes in him a dedicated man with an honest mind and very clear ideas. I am also convinced that with all those qualities, he will offer the National Assembly of Quebec what it might be lacking, that is a political judgment which goes beyond the boundaries of Quebec, but which considers and analyses its problem in the light of the international situation.

Mr. Speaker, I want want to congratulate both my colleagues the member for Lafontaine-Rosemont (Mr. Lachance) and the member for Restigouche (Mr. Harquail) for their answer to the Address in reply to the Speech from the Throne. The quality of their interventions has demonstrated how serious and efficient can be the participation of young members in this House.

Mr. Speaker, a year ago, the right hon. Prime Minister (Mr. Trudeau) announced to the Canadians the decision of the government to establish controls on prices and incomes. In his comments on the Speech from the Throne, the Prime Minister reiterated his faith in the anti-inflation program and his will to

maintain it until 1978 if the economic situation of the country so requires.

I do not want to mention statistics here. It has been done several times and they indicate that in 12 months the dangerous inflationary pressure has diminished. Despite statements from opposition parties despite protests from unions and from certain businessmen who showed precious little enlightenment in spite of the importance of their role, I believe that price and income controls are accepted by most Canadians and that this three year program will succeed in breaking up inflation psychosis. I reiterate my support for the program, so much so that inflation still remains the most serious among the threats to the economic stability in this country.

I would now like to talk about one of those problems closely related to that of inflation: the employer-employee relations issue. Demoralizing effects of inflation do not affect only the economy; they also are a threat to the very nature of our institutions. Our collective bargaining system was seriously shaken by the inflationary wave of the last few years. Collective bargaining now takes place in a tense climate, and labour relations are suffering from it. Before price and wage controls, wage demands had become increasingly more contrary to the reality of economic growth, of productivity, unemployment and international competition.

In Canada, while the production increase was only 2 per cent and that of wages reached 18 per cent, the wage increase in the United States at the same time did not go over 9 per cent while productivity rose to 5 per cent. In West Germany, productivity went up by 7 per cent and wages by 8 per cent.

After having appealed without avail to the good faith of all Canadians, the government decided in 1975 to set price and income controls. While inflation has been reduced to a still unacceptable but more tolerable rate and the economic recovery is well under way, the fight is far from being won. The reduced rate of the productivity increase occurring at the same time as higher wage settlements jeopardizes the competiveness of our industries, reducing the attraction of this country for the establishment of new undertakings. At the present time, the needs of new investments is heavily felt but the climate of our labour relations is not propitious.

Thus Quebec Industry and Commerce Minister Guy St-Pierre stated at the beginning of October 1976, and I quote:

> Quebec has lost several industrial projects as a result of an unprecedented number of conflicts. It is impossible for me to ask for new capital with such results; the present uneasiness destroys our efforts.

At the level of industrial policy Canada is now leading for men-days lost as a result of strikes or lockouts. Thus loss of time due to work stoppages as a result of strikes and lockouts reached 1,183,080 men-days June last; there were 248 work stoppages which affected 190,197 workers. The increasing number of lost working days is prejudicial to all those concerned and impede a satisfactory development of the economy.

● (1230)

It is absolutely necessary to improve the atmosphere of our labour-management relations if we want to avoid increased

social tensions and if we want to improve the productivity of Canadian industry and keep our competitive position on the international markets, thus attracting new investments to our country.

We must now consider the very important problem of labour-management relations and steer them along a new course. Labour-management relations should develop in a more cooperative less antagonistic context, especially when the anti-inflation program will no longer be applied. Consequently, it is incumbent on the government to create the atmosphere which can help us look constantly for new means to boost productivity and create better working relations.

The government was aware of that problem in the Speech from the Throne when it declared that the improvement of labour-management relations is an essential pre-condition to economic stability. The government still considers the collective bargaining system to be one of the best ways of ensuring fair wages and of determining the working conditions in a democratic society; it does not think that the solution is to be found in excessive restriction of collective bargaining rights. However, as the rules of the game of the present Canadian society are quite different from what they were a few years ago, the government thinks that it is important to develop better mechanisms for settling disputes.

Consequently, the government proposes to work with the provinces and with labour and business communities to develop a number of initiatives aimed at improving labour-management relations. It intends, among other things, to establish a collective bargaining information centre which will offer objective data on the economy and compensation to all parties. Consequently, as union members will have all pertinent data concerning the operations of such or such economic sector, they will be able to avoid making extravagant wage claims which do not take into account the economic situation of the enterprise, which threaten its evolution and even, in certain cases, its survival.

Employees should become increasingly aware that the possibility of permanent employment depends on the viability and profitability of the company and that, on the long term, constant increases in real salary can only come from better productivity. Moreover, the government aims at encouraging workers in each plant to participate more in decisions concerning their working conditions. We must realize that the situation of workers has changed; today's average worker is more educated and more socially aware than ever before and he is less and less willing to accept unconditionally his role as a worker.

In the last few years, the concept of industrial democracy has reached beyond collective bargaining of working conditions. The modern worker wants a more satisfying work experience, which means that he wants to free himself from monotonous and repetitive work, from the pressures of the assembly line, and wants to have some sort of motivation and a sense of personal achievement. On the other hand, management must be aware of this social evolution and be more open-minded in the future.

In view of the present economic situation, the techno-structure must take into account the new strength relationship between the various production factors. While in the past the capital factor was the main element in all decision making processes, in view of the increasingly stable capacity of our economy to produce the savings that it needs, this factor has been replaced by the manpower factor; to have the most positive effect possible, this manpower must be increasingly recognized. This is what the techno-structure must do; this is the challenge that it must face. Should we not think of making companies more aware of their responsibilities for employee training, employment security and quality of the work environment? Should we not also think of including, as part of new mechanisms to encourage motivation, an increasing participation of employees in company management and profit sharing?

The Conservatives will certainly rebel against this suggestion, but there have been interesting cooperative management experiences in certain European countries. In many areas, labour participation in the decision making process and the greater satisfaction provided by participation have caused important increases in production as well as qualitative and other product improvements. Many foreign labour leaders think of the labour participation tactic as a means of giving something to union members in addition to their usual economic gains. The governments have encouraged the adoption of participation plans to reduce labour problems and promote industrial peace and economic stability. Employee participation in Europe operates under two main systems: participation of representatives or dicrect participation. Participation through representatives provides for the election or appointment of a certain number of employees to boards of directors or other organizations in charge of making the decisions within the corporation so as to represent the interests of workers.

Direct participation gives the employee control over organization and execution in his immediate work environment. Nearly all employees participate in the activities of the corporation and the first areas to be affected are generally at the lowest level in the working environment—those that are usually the most important ones for the employees themselves.

In the mid 1940s Scandinavia set up employee participation plans in the form of boards of workers within the plant. Since then, such boards have been a standard in most European countries. That is how since 1952 all plants in West Germany employing more than 20 workers are compelled under the law to put a board of workers elected by the employees in charge of monitoring the implementation of all regulations, laws and collective agreements applying to the workers. Boards also participate in drafting corporate by-laws on working hours, job allowances, the conduct and welfare of employees. Since 1971, all hirings, layoffs and promotions require prior agreement from the board of workers, and management must give the board full details on finance, production, sales, investment, working methods, proposed changes to the plants and other matters important to the employees.

Of course, all participation plans did not have the same success and in certain cases the workers in fact acquired only a

minimum power of decision-making. But one of the remarkable things about labour in Europe—except France and Italy—was the very small number of industrial conflicts reported in nearly a quarter of a century.

Although participation schemes have not been applied without involving some difficulties such, experiences suggest that it is possible to replace disputes by collaboration.

In our society, the main part of the dispute during negotiations derives from the perception held by parties of the negotiation process itself. Too much enphasis has been placed on what is called "distributive negotiations" in which each party is attempting to maximize its share. In such a situation, the gains made on one side are necessarily the losses of the other side. Such direct confrontation is toned down when parties are committed to an integral negotiation where both parties recognize they have common objectives and each one can help the other in reaching an end to their mutual advantage. Such a process assumes the sharing of information to allow for the exploration of common interest areas and the solution of common problems.

Although I have already mentioned it, I think it is important for me to repeat that confrontation should make way for cooperation. Both parties should realize that capital and labour are factors combining towards production. Each contributes to the productive process, each is entitled to a share of the product and each has an interest in business operation. One requirement for collaboration is consultation which should become the usual process and "emergency negotiations" ought to be avoided.

Basic issues such as the increasing anxiety brought about by the impact of automation and technological advances, cannot be resolved by a small negotiating team working under pressure for a few months every two or three years. We must wonder how collective bargaining, which is essentially a system used by opponents, could be adapted to make room for cooperation and increased consultation. The impact on collective bargaining of two related factors—namely constant and high job opportunities in the post war period and serious inflationary pressures—fanned the conflict between parties' interests and national interests. Under those conditions the competition between and within unions and employers caused negotiations to take place under a pressure which has, in its turn, resulted in higher wages and prices to an extent which cannot be totally explained by the present labour and market conditions. Consequently, public interest in collective bargaining is not restricted to reducing labour differences and its regrettable effect upon the community, as the public has become increasingly aware of the dangers inherent in the results of the collective bargaining process.

The challenge collective bargaining has now to meet is to preserve the advantages of a system which makes possible bilateral participation in the determination of working conditions, without imposing excessive social costs on the tax payers who would eventually refuse to assume them. The role of collective bargaining will become increasingly more complex as time goes by. It is not possible to return to the system where unions and management were left alone and free to settle their conflicts, without consideration for wider economic, social and political consequences.

● (1240)

Collective bargaining will inevitably take place in a general context of economic and political realities which will impose constraints. As a matter of fact, the Canadian economy will be confronted very soon with a serious demographic problem: from the '80s and thereafter, we shall have to see to the maintenance of our economic development, to choose between massive influx of immigrants and the implementation or promotion of a more advanced technology. Increased productivity will depend on the realization of either of these conditions. However, both organized labour and management will have to make great efforts to ensure that this transition is carried out as smoothly as possible. A massive influx of immigrants would certainly result in social pressures, while the implementation of a new technology would certainly entail problems for unqualified workers. If these two powers do not cooperate to cope with this forthcoming problem, both our economy and the Canadian perspectives will suffer.

Mr. Speaker, another problem that should be given priority by our government and the Canadian people is the establisment of a new constitution or its patriation. Both levels of government, federal and provincial, should agree as soon as possible on an amendment formula. We must not forget that the constitution of Canada was adopted in 1867, over one hundred years ago. When it was passed, some sectors were within the exclusive jurisdiction of one or other levels of government. Since then Canadian government and society have been constantly changing and this is why the provinces tried, through various means, to extend their jurisdiction without raising questions about the sectors which were put under their jurisdiction. But the federal government itself, through what may be called indirect means or through the courts, never did stop encroaching on provincial jurisdictions, much more according to the problems to be solved than according to the legislation.

Such evolution, which sometimes created tension between the federal and provincial governments, flows from the very nature of our confederative system. Thus we should now be more innovative in establishing a new constitution as regards the amendments that should be introduced so that it can meet the present needs and be in line with the future evolution of Canada. In the light of recent experience in areas such as energy, communications, transport, where we could see that the rules of the game had changed, we should all try to do our best to find a common ground, a simple and acceptable formula which would among other things make it possible for the federal government to take action in some areas of provincial responsibility when the well being of the Canadian society as a whole is at stake—and I hope the partisans of provincial power will not become infuriated by this. This is what the federal government did recently when establishing a single price for oil, and a similar intervention will perhaps be needed in the future for electric power if the provinces disagree. Such

interventions should be possible under definite circumstances, which would ensure the respect and the integrity of provincial responsibility.

The amending formula must also provide for linguistic and cultural guarantees for French-speaking Canadians who—and this bears repeating—formed and still form the majority as the people who created this country. However, we must accept without discrimination that the former English-speaking minority grew in importance, particularly with the arrival of immigrants who, given the North American context, freely chose to join them. I think that the French-Canadian society which accepted this fact while giving in the most liberal manner possible the full rights of Canadian citizens, has the right to require from these same persons an absolute respect of their rights both in the area of language and culture. Therefore the amending formula must provide for such guarantees. Our former governments, without exception, were all defenders of individual and collective rights, of the equality of all citizens before the law no matter what their native language, religion or race.

Following recent and deplorable events, theories which are getting support seem to ignore the bases of the past policy, which I mentioned before, although it has succeeded in preserving our national unity. In a democracy like ours, there is place for any kind of theories and, incidentally, a member of the cabinet resigned recently to support a thesis which surely rallies a minority of Canadians but which is in total contradiction with the past and present policy of our government.

If I praise the courage of a man who takes such a decision in order to conform with his own integrity, I think at the same time that all members in the House, and I hope I am being heard from the other side, whatever party they belong to, who no longer agree with a policy on official languages granting equal rights to Canadians should rise and resign. Such a decision should not be taken for electoral considerations but rather for the consideration that each member has for himself.

As a Quebecer member, I reiterate my faith in Canadian society and the federal system; but it must be clear to everyone that this faith is not unconditional and that our people will only agree to participate in this great Canadian nation to the extent that they feel wanted and accepted with their own peculiarities, their own character as we, French Quebecers, respect and love our English Quebec brothers.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, in rising to participate in this debate may I congratulate the mover and seconder of the Speech from the Throne and also inject my personal regret at the departure of the hon. member for Langelier (Mr. Marchand) to his home province. I have formed one of those fast friendships with the hon. member while he has been in the House and have always admired his firy participation in the debates. It is my firm conviction that his loss here is definitely the gain of the province of Quebec. I am one Conservative who wishes for his absolute and complete success in the election to come because I think he has taken on a big job for the benefit of all Canadians.

Some hon. Members: Hear, hear!

Mr. Nielsen: Before saying a few words on the subject of the Canadian penitentiary system I want to deal with a very urgent situation which exists in the Yukon, and I am glad to see the Minister of Manpower and Immigration (Mr. Cullen) in his seat because it concerns an area of the Yukon with which he is familiar and which he has visited. I am speaking of the town of Faro and the tragic situation which now exists there with the miners having been on strike since June 30. One would think that the work force at that mine would be on strike because of a dispute with management, but that is not the case at all. Management and the union negotiated a collective bargaining agreement in April of this year and agreed on the amount of increase in wages that all classifications of workers would be receiving.

Then, as required by law, the matter was submitted to the Anti-Inflation Board, which rolled back the agreed upon wage rate to 12 per cent in the first year. Management and the union together put a joint request to the AIB, because of the seriousness of the rollback, to have the AIB review their decision. The AIB did just that. Their decision to roll back the increase to 12 per cent was reviewed and the decision was to allow an increase of 14 per cent. But that was still less than half of what the workers and management had agreed upon, and the matter, at the request of both management and labour, was referred to the administrator of the AIB, Mr. Tansley. This gentleman rolled back the wage rate from 14 per cent to 8 per cent.

The steelworkers's union at Anvil have taken the position throughout that the rollback was much too severe and that it was inexplicable. Both management and labour were aghast when the administrator brought in the decision of 8 per cent. The union has been on strike since June 30. There were approximately 500 workers at that mine and well over 100 have now submitted formal, written resignations and they and their families have moved out of the Yukon. The union has been on strike against the Anti-Inflation Board for almost three months. Let me emphasize that they have been on strike against the Anti-Inflation Board, not against management. Management wants to go back to work. It is prepared to stand by the negotiated collective bargaining agreement. The union also wants to go back to work, but it certainly does not want to go back at 8 per cent, which has no bearing on historical relationships, even in the area, where Cassiar asbestos miners in northern British Columbia are receiving a greater increase than the 8 per cent set by the administrator.

● (1250)

As I understand it, there are three stated objectives of the AIB, and certainly we hear them often enough from the Minister of Finance (Mr. Macdonald) and from members of the AIB. One is to contain the rate of inflation and reduce it, if possible, in the country. The second is to maintain production, and the third is to lower the rate of unemployment. All three objectives in this instance have been thwarted by the action of a board set up by the government. Production at that mine has

ceased absolutely since June 30. Unemployment at that mine has gone up by the total work force of 500. It has had a ripple effect throughout the Yukon. It has put some 170 White Pass drivers out of work. It has cut their shipping schedule in half, and that has affected the work force in Vancouver, where the shipping originates and where it has its destination on the back haul. Other ripple effects in the Yukon have caused unemployment to climb alarmingly.

As far as containing the rate of inflation is concerned—because the biggest user of power in the Yukon is that mine and because section 10 of the Northern Canada Power Commission Act requires the system to be self-sustaining—the consumer will be expected to bear, unless the government introduces some relief legislation, the added costs of increased rates in order to pay for the revenue which is being lost because of this strike of the miners.

The other day when I questioned him in the House, the Minister of Finance said that the best thing the workers at Anvil could do would be to go back to work. To add confusion to the tragic situation created by the AIB, apparently with the full support of the government, we have a decision by the Canada Labour Relations Board, which falls under the jurisdiction of the minister, that the strike is a legal one, and the reasons given by the CLRB for declaring the strike a legal one is that the AIB interfered in the collective bargaining process. To my mind this surely is not what the government intends to happen with respect to the actions and activities of the AIB and the administrator. It is having the most serious and harmful effects on the economy of the Yukon. The economy of the Yukon is never going to recover from the three months of this strike. Revenues and wages are lost forever. The value to Canada of the production of that mine—which is not insignificant, I might add, as the minister well knows—is lost forever. It can never be made up.

All the Anti-Inflation Board has to do—and I am sure the government could urge upon the board a reconsideration of the matter—is to apply sensible standards in the north. I raised the matter when the legislation was before the House a year ago. You cannot apply southern standards to northern high-cost areas. You cannot apply the standards which exist in Toronto, Edmonton, Halifax or Vancouver to high-cost areas in the north. In the town of Faro a gallon of regular gasoline costs $1.25. Contrast that with the cost of gasoline in other localities in Canada. A gallon of home heating fuel in Whitehorse costs 64 cents. Compare that with fuel costs for home heating fuels in the rest of Canada. In Ottawa a two quart container of milk costs $1.09. Compare that with the $1.62 in Whitehorse. That was the price three weeks ago; it has probably gone up since then. In all fairness there is no way the guidelines set by the government under which the AIB operates should be applicable to an extremely high cost area such as the north.

Who is to blame the steelworkers for going out on strike against that AIB decision when we have to face these increased costs? People in the north cannot possibly bring up families and sustain themselves at a standard equivalent to similar job holders in the south on a wage rate approaching the same amount, and yet the administrator's decision to roll it back to 8 per cent actually sets the wage rate of those miners lower than a comparable worker in southern Canada receives.

Another stated objective of the AIB is to contain prices. I have already given some examples of food prices in the Yukon. There was a famous preliminary report published by the chairman of the Food Prices Review Board many months ago with respect to food prices in the Yukon and Northwest Territories, and one of the chief recommendations in that report was that a further study be made into the cost of food in those areas. We have not seen hide nor hair of any indication that that second report will be forthcoming.

When we referred to the AIB the question of Northern Canada Power Commission rates going up in the case of the Yukon in one year by 78 per cent, we were told that the AIB has no jurisdiction. When we complained about CNT telephone rates going up—they escape me at the moment, but they are far in excess of the guidelines set down—we were told that the AIB would not take jurisdiction to inquire into those rates. The NCPC intends to increase the rate for electricity in Fort Smith in Northwest Territories by 56 per cent, and yet the AIB does nothing about containing those prices.

It seems to me that the other function of the AIB is failing miserably in so far as the two jurisdictions in the north are concerned. I would be urging—if it were not for the fact that I think it offends my approach to responsible government in the Yukon—the Minister of Indian Affairs and Northern Development (Mr. Allmand) to instruct his commissioner in the Yukon to intervene with some back to work legislation similar to that passed in this House last Friday. However, I do not want to do that because if any constitutional initiative does exist, it should be taken up by our own Yukon legislative assembly.

That is one solution, and the Minister of Indian Affairs and Northern Development might take that under consideration. I am not suggesting that he direct his commissioner. I am suggesting he make the suggestion to his commissioner that that kind of approach might be considered by the Yukon legislative assembly.

Mr. Speaker, may I call it one o'clock?

The Acting Speaker (Mr. Turner): It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Nielsen: Just before the recess, Mr. Speaker, I was saying that the workers at Anvil are asking where the controls are. No one can blame them for striking against the Anti-Inflation Board as they have.

Just before I leave this subject, Mr. Speaker, I want to cite one example that comes from the constituency of my colleague, the hon. member for the Northwest Territories (Mr. Firth). Food prices at Giant Yellowknife Mines have increased by 100 per cent. Representations were made by the Steelworkers local 803 through their president, Sandy Hamilton. He wrote to the Anti-Inflation Board in May to complain that Dominion Catering had raised the price of their regular meals from $3 to $5, and for the special steak night from $3.75 to $7.50, a 100 per cent increase. In a statement to "The Miners' Voice" in October, 1976, he said:

> I question the merits of the Anti-Inflation Act if these types of increases are allowed to happen while the wages of workers are being tightly controlled.

In reply to his letter, he received a form letter from the AIB promising that they would investigate. Now he asks, "What happened to price controls?" Who can blame the miners of Anvil for going out on strike, not against management but against the AIB? Who can blame any consumer in these two northern constituencies for asking why the AIB does not step in and control price increases in power rates of 78 per cent in the Yukon and 56 per cent in Forth Smith? Where are the price controls? All that we have seen in these two northern jurisdictions is a policy of wage control, and wage control only. That is having a savage effect on the economy, in my constituency at any rate.

● (1410)

While I have the time, I want to say a word or two about the Canadian penitentiaries system. I am glad to see the Minister of Justice (Mr. Basford) in his seat, because I am sure this concerns him. We set up a committee on October 6 because of the urgent situation that our leader thought existed in the country with respect to the administration of the Canadian penitentiaries system. He set up a special task force from among our own caucus to inquire into the Canadian penal system. The government, belatedly, saw that there was, in fact, need for such an inquiry. They decided to establish a subcommittee of the Standing Committee on Justice and Legal Affairs.

I had talks with the Solicitor General (Mr. Fox) as to the establishment of this committee and our participation in it. We want to participate in an impartial inquiry that will produce meaningful results. We want to participate in the parliamentary process that will produce an in-depth inquiry, not just into the maximum security penitentiaries in the country, where most of the trouble is receiving the headlines, but into the whole of the system. For that reason we decided to place the objective of our special caucus committee on the shelf and go along with the establishment of a parliamentary subcommittee to inquire into the very serious problems which now confront the system.

When I first had those discussions with the Solicitor General, the members of the subcommittee were discussed as being four Liberal members, four Conservative members, and one each from the NDP and Social Credit. In further discussions with the Solicitor General the following day, he informed me that he was sorry if there was anything misleading, but he assumed in discussing those four, four, one and one figures that the Liberal party would have the chair. I went along with that after discussing it with my colleagues. It was done on the assumption that the subcommittee would be set up on the basis of five members from the Liberal party, four from the Conservative party, and one each from the NDP and Social Credit parties.

When the Solicitor General introduced his motion for the establishment of this subcommittee, I raised the matter of number of members. He reneged on the five, four, one and one figures. He would not give me a positive answer with regard to those numbers. He said, in effect, that the approval he got was for the normal representation in parliament. I hoped that what he meant was that it would be a simple majority for the Liberal party of five members, four from the Progressive Conservative party and one each from the NDP and Social Credit.

Mr. Baker (Grenville-Carleton): We'll see.

Mr. Nielsen: We will see when that committee is struck; I will have a word or two to say about that in a moment. We will see whether those discussions were held in good faith. We will see whether there is a genuine desire by the government to operate on the basis of good faith and conduct an impartial inquiry which is free from superimposition of a party majority on the committee. One of the conditions to which we agreed with regard to the establishment of a special parliamentary committee was that it would get to work immediately. We had our plans laid for going to the institutions in the Montreal area commencing last Monday. We feel it is vital, particularly in view of the reporting date established in the motion of February 28, that the committee get to work as soon as possible. We expect the Standing Committee on Justice and Legal Affairs to meet tomorrow in order to establish that subcommittee. We expect to establish the itinerary tomorrow.

In our view, not only have we to visit all the maximum security institutions in this country, ostensibly where the real difficulties seem to lie, but such other institutions, to use the words of the motion that was passed, "as the committee deems advisable". Those include not only the maximum security institutions but some of the medium and some of the minimum security institutions. We believe that the five regional headquarters have to be visited, as well as some 17 maximum, medium and minimum institutions. A total of 22 meetings have to be held throughout the country, from British Columbia to the maritimes. We have between now and the end of February to produce a report.

We believe that arrangements should be made to hear the local guards unions and inmates committees where they exist. We believe that citizens advisory committees, where these exist, should meet with the subcommittee. We also believe that where prison inspection committees exist, there should be provision to meet with these groups. This is the kind of inquiry we envisaged we were going to conduct, and this is the kind of inquiry we believe the subcommittee should conduct.

There will be reluctance on the part of some individuals and some groups involved with the administration of penitentiaries, as well as the inmates of those penitentiaries, to meet in a formal way. Therefore, we covered that aspect of these meetings in our discussions with the Solicitor General. We felt that in addition to the formal part of the subcommittee's work, it should be made clear well in advance of our visits to these various areas of the country and various institutions that inmates, either as individuals or groups, or officials either as individuals or groups, should feel free to discuss with individual members of the subcommittee, or members as a party group of the subcommittee, their problems and their views as to the solution of those problems. It stands to reason that there will be reluctance on the part of some individuals to discuss their criticisms and problems in a formal way before the committee which records all of its proceedings. That reluctance might not be present if provision is made for this kind of informal discussion with individuals and groups.

Our prison system is in a mess. There have been uprisings, hostage-takings, murders and suicides. Deplorable conditions exist in our Canadian penal system. It cries out for some kind of solution. The best summation that I have seen recently with regard to the situation that exists is in an article by Allan Fotheringham in the October 18 issue of *Maclean's*. It is carried under the headline "Canada does not have to execute people any more. It just sentences them to neglect." He goes into the background of the establishment and growth or malformation of the penal system in Canada since it was set up almost 140 years ago with the building of Kingston. He criticizes the hypocrisy of the Liberal government—as he labels it—with respect to its approach. He says in the article:

● (1420)

The sadness is that the hypocrites do not realize they are hypocrites. The hypocrites are the Liberal members of parliament who give the impression they have abolished death from the land. When they voted to wipe capital punishment from the slate, they saved the lives of the 11 men on death row. That was the public, moral stance and the government felt cleansed. It prefers to ignore the cruel reality. As the custodian responsible for the Canadian prison system, the Liberals have to answer for the fact that more than 11 inmates die every year in our prisons. Since 1970 there have been 62 suicides in federal prisons. Another 18 prisoners have been murdered by fellow inmates.

Last Friday, in Kingston, another was murdered by fellow inmates. The article continues:

The Canadian prison system is a mess—

Mr. Guay (St. Boniface): Hear, hear!

Mr. Nielsen: The hon. member for St. Boniface (Mr. Guay) says, "Hear, hear". He is in agreement with me.

Mr. Guay (St. Boniface): Not with what you just said. It was with what you said before that.

An hon. Member: You are a little slow, then.

Mr. Guay (St. Boniface): You know how I voted.

[Mr. Nielsen.]

Mr. Nielsen: I appreciate that. I appreciate the reason the hon. member may not be as quick today as he was two days ago.

Mr. Guay (St. Boniface): When people are reading their speeches, I sometimes get a little behind.

Mr. Nielsen: But I am not reading my speech. I am quoting from a knowledgeable writer on prison reform. Not all members may have read this.

Mr. Crouse: They don't read *Maclean's*.

Mr. Nielsen: I am sure the Liberals read *Maclean's*. I am sure that is all they read. The author says:

There is a third similarity that tells you everything you want to know about Liberal priorities. The warden of Laval says his prison has 350 inmates too many. More than a decade ago, a federal commission of inquiry, coming after 300 prisoners had rioted at the B.C. pen, reported to the then justice minister, Lionel Chevrier, that "the prison was grossly overcrowded".

Mr. Speaker, I have gone back over the dates from 1963 to date and I have seen that figure reiterated by successive Solicitors General who were aiming at the target of no more than 450 inmates in any penal institution in Canada, and I note that this mark has been exceeded in almost every maximum security institution in the country. The writer of this article says:

What has happened? The population of 500 remains the same to this day. There have been 18 hostage-takings in that jail in two years. What really has happened is that Chevrier was replaced by Guy Favreau, who was replaced by Lucien Cardin, who was replaced by Pierre Trudeau, who was replaced by John Turner, who was replaced by Otto Lang, who has been replaced by Ron Basford—

He seems to have gone.

The Acting Speaker (Mr. Turner): Order. I must remind the hon. member that the time allotted to him has expired. He may continue only by consent. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Nielsen: I thank hon. members. I shall bring my remarks to a close.

Mr. Guay (St. Boniface): He is here now.

Mr. Nielsen: I mistook another hon. gentleman for the minister.

Mr. Crouse: It is the way they comb their hair.

Mr. Nielsen: My hon. friend says it is the way they comb their hair. Well, during all those ministerial changes, to use the words of the article, "the overcrowding goes on and the riots go on and suicides increase".

Mr. Faulkner: Author?

Mr. Nielsen: The author is Allan Fotheringham of *Maclean's* magazine. Take it easy over there; you cannot be critical of *Maclean's*. The article is dated October 18, 1976.

So there are serious problems. I hope the work of this committee will be fruitful. We intend to put all our effort into it. We shall put the same effort into the work of this committee as we intended to put into our own special caucus committee which was announced by our leader. I believe the hon. member for Windsor-Walkerville (Mr. MacGuigan) will be the chairman if my information is correct. But if we find the committee is being suffocated, if we find our inquiries are restricted, if we find we are prevented from hearing people whose evidence should be heard in the interest of coming up with sound recommendations to parliament, we shall go ahead on our own and come up with our own recommendations to parliament. We hope members on the other side will enter into this project, when the committee is struck, in a productive and impartial way as we intend to do on this side and as I am sure colleagues to my left intend to do.

No one expects prisoners to be happy, but if our prisons are to discourage crime, as they are supposed to do, they must command the respect of the inmates. Right now, our penal system is seen, by the inmates as well as by the general public, not as a well-oiled machine dedicated to the combat of crime and to the rehabilitation of prisoners, but as a monument of confusion, unsure of what it is after and certainly as one which is not accomplishing anything at the moment.

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I am pleased to be able to take part in this debate. At the outset I should like to add my good wishes to those already extended to the hon. member for Langelier (Mr. Marchand) and wish him well in his future endeavours in Quebec. I should also like, at this point, to congratulate the new Minister of Indian Affairs and Northern Development (Mr. Allmand) on his appointment. I wish him all the luck in the world. He faces a big challenge and many people across the country are counting on him. So far, relatively few requests have been made upon him but there was one made by my hon. friend from Oshawa-Whitby (Mr. Broadbent), the leader of our party, asking him to look into a situation at Cross Lake where the water supply was very bad. The people there had been seeking rectification of this situation for six years, through various former ministers, and I am very happy to note that the new minister saw fit to act promptly and rectify the situation. The people from Cross Lake send their thanks to him. I hope this is an example of the way in which the hon. gentleman intends to act in the future.

So, Mr. Speaker, I congratulate the minister on his new post and wish him all the luck in the world. Certainly, I shall offer him whatever help I can. Since he is not in the chamber today, I hope his colleagues will pass on my good wishes.

● (1430)

I should like to make a few suggestions regarding what I think the minister should do in the Indian Affairs department. First of all, there is the question of land claims in the Northwest Territories and Yukon in particular, and in general other claims by our native people all across the country. I think the minister should move a little faster in this area, especially in those constituencies in which the native people would like to sit down around a table and discuss native claims. I consider the settling of these claims, particularly in the Northwest Territories, northern development. I suggest that once these claims have been settled we can move forward a little faster and deal with those problems that are of everyday concern to our native people and which are not receiving sufficient attention at this time.

Indian affairs and northern development are both under the jurisdiction of one department or ministry, and many times these two departments come into conflict. Therefore, I suggest that the minister should give serious consideration to dividing the department so that Indian affairs stand alone. It is an extremely important department and, as I mentioned previously, the minister has a great challenge in changing the attitudes of departmental officials and improving the image Canada has in the eyes of the rest of the world in regard to our treatment of our native peoples. I suggest northern development come within the Department of the Environment, or with fisheries or some other department, where there will not be so much conflict.

I would also suggest that the minister immediately hire capable native people from all across the country for very important decision-making positions within that department. At this time I do not think he would be able to name more than five or six native people who are in decision-making positions in the Indian Affairs Department. I do not have the figures with me, but I would be very surprised if there are more than five or six.

Another suggestion that I think would be useful is that the minister offer early retirement to some members of the department who have been there a long time and may not be doing quite such a good job as would some younger person who might be more effective. This would make the department more responsible to the native people of this country. As it is now, a lot of times it seems as though the department is more the enemy of the native people than their ally.

I would also suggest that another healthy move for the department to make is for it to be more co-operative with native organizations from all across this wonderful country of ours. These organizations have a better understanding of what the immediate problems are on the reserves, in different parts of the territories, and so on. Thus, the department will be more effective. The millions of dollars allocated to the department are really not reaching those areas where they can be spent effectively, and the suggestion I have made would, I think, help see that this money does get to the grass roots level where it would do most good. The minister faces a very big challenge, and many people are counting on him. With a majority government, and working with native organizations, I think the minister is in a good position to do a lot more for our native people than has been done in the past.

Talking of the past, Mr. Speaker, and of the effectiveness of previous ministers of the department, I should like to refer to what I think is a very scarey situation having to do with the sterilization of native women in the Northwest Territories.

This example goes back to October 9, 1970, when the former leader of this party, Mr. David Lewis, the then hon. member for York South, asked a question of the then minister of Indian affairs and northern development as reported at page 16 of *Hansard*. It is now October, 1976, six years down the pipe, and still no answer has been received on this very important matter. Let me put the question on the record. The then hon. member for York South asked:

> Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development on a rather serious matter. Is the minister aware that a program of sterilization of native Eskimo women was apparently introduced in the Holman Island community on Victoria Island, that five women have been so sterilized and that some others are being considered? If he is aware, will he inform the House who authorized this unnecessary and inhuman program, in view of the availability of birth control methods?

The minister at that time was the present Minister of Industry, Trade and Commerce (Mr. Chrétien), and he answered as follows:

> Mr. Speaker, I have no information on this problem. The hon. member was kind enough to give me notice of his question, so I have had an investigation made but I have not yet received any report.
>
> I am not aware that any authorization was given by my department. Health services in the Northwest Territories are under the jurisdiction of the Department of National Health and Welfare. I therefore asked one of my department's officers this morning to get in touch immediately with the representatives of the department of national health in order to determine whether any authorization had actually been given or whether the facts alleged by my hon. friend were correct.
>
> As soon as I obtain further information, I shall be happy to inform the House, but, at this time, I do not believe that such an authorization was given. If such action took place it must have been because of some local or individual initiative, rather than under a government policy.

So at that date the Liberal government said it did not have a policy of sterilization of native women in the Northwest Territories. Although the question was asked six years ago, there has still been no answer. I have good reason to believe that a sterilization program has been continuing in the Northwest Territories and that a lot of people have been sterilized. People in the north, as well as myself, are asking for answers to a lot of questions.

I do have a few figures before me, Mr. Speaker, but they cover only a small part of the Northwest Territories. As an example of what appears to be happening in the north, in Repulse Bay, out of 22 women between 30 and 50 years of age, 10 have been sterilized—a percentage of 45 per cent. In Chesterfield Inlet, out of 23 women between 30 and 50, 6 have been sterilized, for a percentage of 26 per cent. In Pelly Bay, out of 18 women between the ages of 30 and 50, five have been sterilized, or 27 per cent. In Gjoa Haven, out of 41 women between 30 and 50, 13 have been sterilized, or 31 per cent.

● (1440)

The numbers have been quoted in the *Sunday Express* and other newspapers. The question of the sterilization of native women in the Northwest Territories has been raised by the Inuit Tapirisat, the representative of the northern peoples of those parts. The question was also mentioned in the *Sunday Express* and in the *Globe and Mail* and was brought to my attention by Father Lechat, a well respected and well known man of the north. He is concerned about this problem and raises many questions about it.

I ask the government, which has not answered questions concerning this area as well as other areas, does this represent government policy? Is this, indeed, policy? If so, how many people have been affected by it? How long has this program been going on, and why is it being carried out? Are white people involved in it as well? Is the program being explained to people taking part in it? Do the women who have been sterilized know exactly what the consequences are? Do they understand fully what it is all about? Has it been explained to them in terms they can understand? I know these are difficult questions to answer.

I know of a white lady who discussed this question with doctors, friends and others experienced in the area. She decided, after consultation, to go through with the operation, but said sometime afterwards that if she had known exactly what its consequences would be, how it would change her, she would never have agreed to go through with it.

The government has not been able to say whether this is policy. I wonder if the government has the guts to undertake an inquiry, find out exactly what is going on and explain to the Canadian people what this is all about. When you couple what is happening with ideas put forward in a training manual for the correctional institute in Yellowknife, a manual which describes the native people as shiftless, lazy and goodness knows what else in unkind terms, you wonder how many sick people, including civil servants, in those parts are making major decisions affecting the people's lives. Therefore, I ask the government to look seriously at that program and let us know exactly what is happening.

I now touch upon another area of concern—housing. In March 1974—and the year was fairly exciting in this House, as I recall—the minister responsible for housing announced that 50,000 units in a five-year period would be built under the government's rural and native housing program. The program itself was under Central Mortgage and Housing Corporation. Unfortunately, the program has not worked. It seems that the program is in a shambles. It has operated almost for two years. I do not know how many houses were built under it, but I have not seen any in the north, the one place in which they ought to be built.

Housing everywhere is a basic human right. This being a cold country, housing programs should be given greater priority. We need good housing programs in all parts of the country. We need a super-good housing program in the north, where the climate is extreme. Housing is in short supply in many areas, including mine. Adequate housing can help us solve many of the social ills afflicting people in various parts of the country. Good housing helps to keep the basic family unit together. Good housing would keep our native peoples together and improve their health conditions. Good housing, and improvements in health, enable people to do better work and keep their jobs. I know of many in my constituency who could do good work, but cannot because they lack adequate housing. These people cannot hold on to better jobs because they have

no place in which to rest and eat a good meal before going back to work. They have nowhere to enjoy life.

Good housing would help to curb alcoholism, which afflicts not only people of the NWT but people generally in northern countries. Good housing, again, is the answer. As well, adequate housing would allow people to work in home industries. They could support themselves by doing soapstone carving, needlework, and so on. Such activities can be carried on in the spare room of the home, if the person has one, the bonus being that the traditional way of life could be maintained. That is another point in favour of a good housing program.

A countrywide good housing program would help to create jobs in this country. It would support small industries, especially small construction firms. As I say, there are many arguments in favour of a good housing program. Therefore, I wonder why, since the program was announced almost two years ago, it has not worked as well as it should. I think the minister is obligated to find out why the program is not working and he should make the necessary corrections. As I said earlier, housing is a basic human right. The government should do everything possible to make sure that as many houses as possible are built.

I am led to believe that bungling civil servants are responsible for the rural and native housing program not working. I do not know if it is all the government's fault; perhaps people at the local level who may not be involved with the government are also responsible. No matter where the blame lies, the question should be looked into. The minister should find out what is wrong and get the show on the road.

I want to speak briefly on something called northern development, which is a pretty big topic. Having perused the Speech from the Throne, I find that again the north has been neglected. Important areas of concern for the north are not even mentioned. These questions concern not only northerners but people in the rest of the country. Major decisions affecting the north will affect the rest of the country. I am thinking of the Mackenzie Valley pipeline. The Speech from the Throne did not mention it. There was no mention of the Arctic Islands gas pipeline, and no mention of transportation systems, whether involving ships in the High Arctic, aircraft, better roads, better airports, better navigational facilities and more and improved weather stations.

No mention was made of environmental priorities for the NWT, and there was no mention of possible provincial status for the Yukon or the NWT. There was no mention of the government's thinking with respect to changing the status of the NWT, that is, for dividing it into two territories, one to be a province and the other a territory. No mention was made of native claims. No mention has been made of these things in recent Speeches from the Throne. I have listened to two or three, and we seem to be left out all the time. We do not particularly like that. Even though there are only 40,000 of us up there, we feel the north is very important to all of Canada. We believe some very important decisions will have to be made about that area in the next few years. There probably will be some pretty important issues arising in that area within two or three years, or even within a year and a half. It looks as if there is a move toward a minority situation in which we hear that the NDP will have a little more fun squeezing some things from the government.

● (1450)

There is no mention in the throne speech of the Mackenzie Valley pipeline. In looking at this situation, one wonders whether the large oil companies are very serious about building a pipeline there. I recall that when it was first mentioned, the Atlantic Richfield Company announced it intended to go ahead. However, from the figures I have been able to dig up today, it does not seem to me that there is enough gas or oil in the Mackenzie Valley to warrant a pipeline. I do not think they intended to build one in the first place. Even if they did, possibly it was more in the form of bluff than anything else to enhance their bargaining position with the companies in the east.

It has not been proven that there is enough gas in the Mackenzie delta to warrant the building of a pipeline. Even if it were built, the purpose would not be to move several trillion cubic feet of gas, but to tap the cold, clear ice water from the Slave Lake, Bear Lake and the Mackenzie because of the skunky water in the south and the fact that the people must have good clean water. So that would be one of the main reasons. The United States government would like to have a pipeline up there for that purpose. This is worth thinking about. I still think the oil companies are not very serious about building this pipeline and that probably it will never be built in any event.

There was no mention in the throne speech about the structure of what is called the NWT government, which is not actually a government but, rather, an administration. It is my opinion that there are far too many civil servants in the north now. It is a very large area—1,350,000 square miles. There are only 40,000 people, and every fifth one is a civil servant.

The budget for the NWT administration alone is between $150 million and $175 million, which does not include MOT, the RCMP or other federal departments, which would bring the figure up around $250 million. If we said we would have no government up there, but merely several government agencies—which was the situation in the past—there would be a guaranteed annual income of about $5,000 or $6,000 for every man, woman and child. This area could be maintained something like a park, so that it would be for the benefit not only of Canada but of all the world. We must protect the environment and beautiful places like that from resource exploitation and big industry, for the benefit of all people.

Previously in this House I have attempted something which did not work. I would like again to give it a try. I believe I have a few minutes left, and I would ask hon. members to agree that five or six minutes of that period be devoted to thinking for a while about the suggestions I have made concerning Indian affairs and northern development generally.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, along with the hon. member for Northwest Territories (Mr. Firth), I would be quite happy to think for a few minutes, if that is your ruling.

An hon. Member: Transcendental meditation.

Mr. Basford: I appreciate the suggestion of the hon. member for Northwest Territories. It would appear that the rules do not allow, for the moment at least, for a thinking period, although I realize that a number of members opposite need that sort of time to sit and think, judging from the speeches I have heard so far in the throne speech debate.

In entering the debate, I wish to join all my colleagues in the House of Commons in offering my congratulations to the two hon. members on my side who moved and seconded the address in reply to the Speech from the Throne in a manner and content that was a credit to themselves and to the constituencies which sent them to parliament.

This afternoon I want to touch briefly on three subjects. First, may I say that I read with a great deal of interest the speech made the other day by the official justice critic of the Progressive Conservative party, my friend the learned member for Calgary North (Mr. Woolliams), and particularly his remarks with regard to, as it was known in the last session, Bill C-83. It is a favourite and irresponsible tactic of the opposition to clamour for the introduction of bills and then to proceed to obstruct their passage through parliament and into law. This is precisely what they have tried to do in respect of the measures that were contained in Bill C-83.

Mr. Woolliams: Mr. Speaker—

The Acting Speaker (Mr. Turner): The hon. member for Calgary North (Mr. Woolliams), on a point of order.

Mr. Woolliams: Mr. Speaker, I would think the Minister of Justice (Mr. Basford), who stands for the administration of justice in Canada, would come forward with a truthful statement. His party had to move 54 amendments to that bill in order to get it passed. There was no delay in the committee. I believe his own members would tell him that. I do not like such a misrepresentation to be made here now, or at any time.

The Acting Speaker (Mr. Turner): I suggest that the hon. member has risen not on a point of order but, rather, on a point of debate.

Mr. Woolliams: Let him stay with the truth.

Mr. Basford: I will stay with the truth. What I say is based on the truth. I will quote the evidence. Almost a year ago, on October 28, 1975, in the wake of shooting tragedies in this city and elsewhere, the then leader of the opposition, the hon. member for Halifax (Mr. Stanfield), pressed the government during the question period to introduce proposals to restrict the availability of firearms. I note that the leader of the opposition (Mr. Clark), in his speech on the address in reply, never mentioned the subject. Last week, as a result of questions during the question period, it seemed to me the official opposition indicated that it would refuse to allow the reinstatement of Bill C-83 which contained the measures called for by the former leader of the opposition.

Mr. Woolliams: Absolute nonsense.

Mr. Basford: Let me provide further evidence. I would ask hon. members to recall who it was who, twice in this House, once on January 27 and again on June 6, 1975, called for legislation providing a minimum penalty for anyone having or using a firearm for any improper purpose. That person was none other than the right hon. member for Prince Albert (Mr. Diefenbaker). Yet just the other day he affirmed his opposition to the reinstatement of the peace and security bill which provides for just such penalties as he called for.

● (1500)

Mr. Woolliams: He did not say that at all.

Mr. Basford: Yes, he did. The hon. member for Calgary North correctly pointed out in his speech that the bill raised many important issues other than gun control. These included provisions to keep dangerous offenders in prison and away from society, provisions to increase the capability of the police to combat organized crime, as well as provisions to provide police with increased powers to confiscate weapons in potentially dangerous and serious situations. The bill also contained measures to provide a more effective and protective parole system, measures relating to laws regarding the custody of inmates in our penitentiaries, something the hon. member for Yukon (Mr. Nielsen) was talking about only half an hour ago. Yet we are unable to make necessary changes in the law relating to day leave, statutory remission and other important custodial matters.

Mr. Peters: Because you want to put too many things in it.

Mr. Woolliams: Why don't you split it?

Mr. Basford: The hon. member asks why I do not split the bill. He wants to have an opportunity to defeat it in committee. All these issues were important in the bill last session, and all of them are important still. It seems to me that the public still has the right to laws which will assist society in protecting itself against violent crime and violent criminals. The public has a right to laws that will help reduce the growing death toll from the misuse and careless use of firearms. Surely something is very wrong with the law when it is just as easy to buy toothpaste as it is firearms.

Should there not be some change in that law, not only by means of increased penalties applied after a crime or tragedy has already occurred, but surely we have the responsibility and we must be just as concerned about preventing, in one way or another, or at least limiting such occurrences before they take place. How many times have we heard citizens talk about the stop sign or a red light never being put at an intersection until one, two or three people have been killed. When it comes to

firearms, surely we should try to put in place some stop signs and some red lights before the tragic incidents occur.

Hon. members opposite do not have to take my word for it; they can rely upon statements that some of their own members made last session or they can take the word of such authorities as the Quebec crime commission. That commission, headed by Judge Jean Dutil, concluded its report on organized crime, which was released just two weeks ago, by saying that violence involving the use of firearms is so grave that it threatens the social peace of Canada. The report calls for strong measures to curb the incidence of gun-related crime, and for those measures to be instituted immediately.

This is precisely what we asked parliament to do last session in the bill. Hon. members opposite should ask the public how it feels about restrictions on firearms availability. The public has always, overwhelmingly, supported responsible restrictions on the availability of guns. I have every reason to believe that that public support has, if anything, increased recently. I would refer my friend, the hon. member for Calgary North, to his friend, the hon. member for Calgary Centre (Mr. Andre), who recently conducted a survey in his riding. I have been somewhat surprised at the result, because judging by my mail, if opposition is strong anywhere, it is in Calgary.

The hon. member for Calgary Centre asked his constituents, among others, "Do you support the government's intention to control firearms?". The replies from Calgary Centre, next door to the riding of the hon. member for Calgary North, were 61 per cent in favour, 37 per cent not in favour, and 2 per cent undecided.

Mr. Woolliams: Let me point out that 89 per cent in your riding wanted capital punishment.

Mr. Basford: I suggest that the hon. member for Calgary North confer with his colleague from the next riding.

An hon. Member: Why don't you talk to your colleague, Simma?

Mr. Basford: I confer with the hon. member for Vancouver-Kingsway (Mrs. Holt) constantly. She is an invaluable member of the Standing Committee on Justice and Legal Affairs.

Mr. Woolliams: She is the greatest thorn in your side.

Mr. Basford: She indicated her support for the concepts in Bill C-83. The problems of criminal activity, as well as the misuse of firearms, will not disappear in spite of the fact that the opposition may well like them to do so. We have a duty to press forward with responsible and workable measures which will protect the public against violence and crime. I am very grateful for the hard work of many hon. members, including my friend the hon. member for Calgary North, who made constructive efforts in the committee last year, not only on the firearms measures but on all aspects of that bill. The Standing Committee on Justice and Legal Affairs sat for 35 sittings, heard witnesses from all across the country and considered a large number of amendments proposed by the government and the opposition. It is a matter of real regret to me that that investment in parliamentary and members' time would now appear to have been wasted in terms of making parliamentary progress.

The Leader of the Opposition calls for leadership, yet nowhere in this debate, either in his own speech or in the speech of the official justice critic, the hon. member for Calgary North, is there any suggestion as to how parliamentary progress can be achieved with laws that are more protective of society in relation to guns, to dangerous offenders, to parole and to penitentiaries. The official opposition calls itself a responsible opposition. The Leader of the Opposition said yesterday on national television that it is not his responsibility to come up with answers.

Mr. Nielsen: You steal them all.

Mr. Basford: If we steal their suggestion, which I know is a claim they make from time to time, then as the Prime Minister (Mr. Trudeau) indicated, we cannot understand why they oppose them.

Mr. Hnatyshyn: Because you pervert them.

Mr. Basford: It is the responsibility of the Leader of the Opposition and his colleagues to negotiate with the House leader on this side in order to make parliamentary progress. I ask the hon. member for Grenville-Carleton (Mr. Baker)—who unfortunately is not in the House, and for whom I have a good deal of personal and professional respect—who is the House leader of the official opposition, whether we have to go through another tragic shooting in Ottawa before he begins to assist our House leader in ensuring that this session parliament passes meaningful changes in the criminal law relating to the improper and careless use of firearms. If a meaningful version of Bill C-83 is not passed by this parliament, the responsibility will clearly lie with the official opposition.

Mr. Fairweather: Rubbish.

Mr. Peters: Nobody is going to pass it. If you want the legislation, bring it in.

Mr. Basford: I am glad that my remarks have so affected the sensitivities of hon. gentlemen opposite. Now I wish to turn to the areas of the Speech from the Throne relating to the further work of my department. The Leader of the Opposition said that he found little of relevance in the speech. It surprises me that such subjects as bilingualism, national unity, equal opportunity and the strengthening of individual rights are regarded as not relevant by the hon. gentleman opposite. Until now, in dealing with the question of individual rights and discrimination, the authority of the federal government to deal with discrimination in employment and accommodation has been limited. This may not seem important to the Leader of the Opposition. However, it does seem to be serious to many other Canadians—for example, to many women in Canada, to the physically handicapped and to members of many minority

groups who have felt the heavy hand of discrimination in their daily lives. It also seems serious to me. In a free society like ours it is essential that we put into law and into practice a clear commitment to equality of opportunity and to protection from discrimination in areas of federal jurisdiction.

● (1510)

In the summer of 1975 a human rights bill was introduced by the government, and along with the advisory council on the status of women and other groups, I regret—

Mr. Fairweather: Are you going to blame us for that, too?

Mr. Basford: —that is was not passed last session, due to the pressure of parliamentary time and business. The new bill will have high priority in this session and I look forward to its early introduction and passage. While I regret the delay in its passage last session, that delay has provided me and members of the government with an opportunity to strengthen and improve our proposals through extensive consultations on the provisions of the bill with individuals, with the provinces and with groups concerned about discrimination. In particular, my officials and I have had extremely useful meetings with groups representing women's rights and the status of women, with associations for the physically handicapped and with a number of others.

As a result of those meetings I will be laying before the House a greatly strengthened piece of legislation which I hope will become a comprehensive federal anti-discrimination code complementing those already adopted and enforced by the provinces. The legislation proposes to prohibit, through the activities of a human rights commission, discrimination on grounds of race, national or ethnic origin, colour, religion, sex, age and marital status, as well as physical handicap, with respect to employment. For example, if a handicap does not affect job performance, it will no longer be a permissible bar to getting a job. This is a new provision added after consultation with associations qualified to speak for the handicapped.

The legislation will contain certain provisions prohibiting the sending of hate messages over the telephone, a matter which has been the subject of news controversy for the last few days. As far as I can gather, these messages are put out mostly in the Toronto area and mostly by a group calling itself the Western Guard which breeds racial prejudice and bigotry. The group arouses anxiety in racial minorities and undermines the confidence of those minority groups in the protection they should be afforded under the law. Our measures are designed to provide an effective supplement to the provisions in the Criminal Code for combatting this particularly revolting—I think there is no better word to describe it—practice of tape-recorded, racially biased messages going out over the telephone.

Mr. Fairweather: Cowards.

Mr. Basford: The hon. member for Fundy-Royal (Mr. Fairweather), whom I know has a very deep interest in these matters, asks, how?

[Mr. Basford.]

Mr. Fairweather: I said they are cowards; the members of the Western Guard are cowards.

Mr. Basford: I apologize to the hon. member. Of course, I agree that they are cowards, hiding behind this kind of taped telephone device to propagate their messages of hate and racism. I invite the hon. member for Fundy-Royal, who has a deep and abiding interest in these matters, to study the bill with great care, because obviously it is a delicate area in which to legislate. However, I think the proposals we are putting forward will deal with the problem on the one hand and will properly protect the right of freedom of speech in a free society on the other. This is a measure which the hon. member for Hamilton West (Mr. Alexander) has also asked about many times.

Mr. Nielsen: When is it coming?

Mr. Basford: Very shortly. In addition, the provisions of the human rights bill have been strengthened with regard to the question of equal pay. Traditionally, those concerned about discrimination in employment practices have felt that the concept of equal pay for equal work would solve all our problems, and in the bill introduced last session the language employed to prevent this discrimination was the traditional concept of equal pay for equal work. After consultations with women's groups, I have been convinced that this language is inadequate to provide full guarantees against sexist discrimination on the job. The fact is that women are often not allowed to do work similar to that of men and they are hired and hived off into female work ghettos. Thus, they are often paid less, even though what they do is of equal value. To provide truly equal opportunity, regardless of sex, we have decided to accept the recommendation of the women's groups and to adopt the definition proposed by the International Labour Organization of equal pay for work of equal value as the governing criterion.

Some hon. Members: Hear, hear!

Mr. Basford: It would, therefore, be a discriminatory practice for an employer to maintain different wage scales as between male and female employees who are performing work of equal value. This measure is unique in Canadian law. Its enactment will mark a major milestone in the commitment of the government to the women of Canada to provide equal opportunities. Women's organizations can properly congratulate themselves for this achievement and now press for passage of this measure when introduced and for an equal response from provincial governments in areas of provincial jurisdiction.

Mr. Nielsen: What about territorial jurisdiction?

Mr. Basford: The throne speech, in remarks related to the human rights legislation, also touched upon a second major aspect of the human rights legislation we will be bringing forward: the protection of rights to privacy with respect to information collected by the government. There are two main aspects to this. One is protection from harassment for information by government departments and agencies.

I share the concern of many people that we are a nation becoming addicted to information-gathering about individuals and small businesses without much thought about the need for it or about the cost and inconvenience imposed upon those individuals or small businesses in collecting it. That is a matter the Minister of State (Small Businesses) (Mr. Marchand) and the Minister of Industry, Trade and Commerce (Mr. Chrétien) have touched upon. Data collecting or information collecting should not mean open season on taxpayers' time or money. The new legislation would ensure that government demands for information are rationalized, co-ordinated and restrained to an absolute minimum.

The second aspect of this question relates to personal information solicited by the government and stored in government information files or data banks. I have already said that this legislation will narrow and restrain government access to information from the citizen. It will also broaden citizens' access to personal information about them in government files. It will give individuals the right to find out what federal government records contain personal information about themselves used to make decisions affecting them. They will have the right to examine and correct such information. They will have the right to know the uses to which the information is put and to prevent its use for purposes other than those for which it was intended. It will provide a major increase in the accountability of government to the citizen for the administrative acts affecting that citizen.

Having listened to the debate, I note it is agreed by all that there are some personal information records to which there should not be access. In the earlier legislation of which I speak, those exemptions would have been decided by government regulation. In the new bill, because of the delay in passage, we have been able to develop a legislative or statutory scheme setting out explicit criteria that any information records withheld would have to meet. These restrictions on access should be reduced to the minimum possible, consistent with our parliamentary system. We want to ensure the maximum access to personal information that the public interest will allow. Our aim is to secure to the greatest extent possible the right of the individual to know and to see the personal information on which decisions affecting him or her are made.

● (1520)

Mr. Baldwin: Mr. Speaker, would the minister accept a question?

Mr. Basford: I would prefer to do so at the end of my speech, if I may, Mr. Speaker.

The time has come to recognize in law that individuals have rights and interests in knowing what personal information is on official records, whether it is accurate and the uses to which it is being put. In this era of bigness of government, business and unions, many decisions affecting individuals are made every day by these big institutions on the basis of information stored in files and computers. The risk of erroneous decisions based on inaccurate or incomplete information is too great to ignore in a free and open society. The privacy of information provisions will not encompass the private sector nor, obviously, apply to the provincial sector at the moment, but I would hope that the legislation that is introduced could be seen as a model which can be adapted to the private sector and one which provincial governments would wish to emulate.

I should now like to touch on the Speech from the Throne, Mr. Speaker. To achieve the goals enunciated in the speech, of equality of opportunity and the enhancement and rights of the status of women, will take more than simply the enactment of a human rights bill and the establishment of a human rights commission. The Speech from the Throne contained additional measures designed to achieve this. There is the commitment to more and better day-care services that will free mothers to seek employment outside the home when they wish. There will be changes in the Canada Pension Plan to recognize that the housewife's work at home is an economic contribution to the family and society. This is part of our continuing commitment to improving women's rights.

I need hardly remind the House that last session parliament enacted the status of women bill which changed a whole range of our laws to give recognition to the equality of women; nor need I repeat my commitment to the goal of appointing more women to the bench, not as tokens but on the same basis as all appointments, namely, merit. I am glad to indicate that since my appointment as Minister of Justice my colleagues have been happy to accept my recommendation for the first woman member of a court of appeal in this country, Madam Justice Wilson of the Court of Appeal of Ontario, and the first woman of Chief Justice rank in the person of Associate Chief Justice Madam Gabrielle Vallée of the Court of Appeal of Quebec.

Mr. Fairweather: Tell Earl MacLaughlin.

Mr. Basford: Yes, I seem to be having more success in the appointment of judges than Earl MacLaughlin is having in the appointment of board members. But probably no area of the law touches upon the legal and economic rights of women more than the law relating to the family. I am convinced that if real progress can be made in the area of family law, it is the single most important thing that could happen to assure the legal and economic equality and status of women.

The Speech from the Throne refers to the Law Reform Commission report on family law, which I commend to members of the House. The commission emphasized that the basic concern underlying all family law reforms should be the support and preservation of viable family units. Any movement in this area must be done only with very carefully measured steps. This is the basis on which I am examining the proposals of the Law Reform Commission and others.

Some newspaper headlines have bandied about the phrase "divorce on demand". I have read the report. I do not see in it any proposals for divorce on demand. I do, however, see a number of very thought-provoking suggestions, and it is with this in mind that I call upon all interested groups and individuals across the country to read the commission's report and to let me hear their views on the proposals it contains. I intend to

carry out, with them, formal consultations on the recommendations of the Law Reform Commission.

Let me speak specifically about two sets of recommendations mentioned in the Speech from the Throne. First, our commitment to the development of unified family courts in Canada. Mr. Speaker, this is an idea whose time has come: one judge in one court to deal with all family matters, federal and provincial. This would mean a saving in time and money, convenience to the parties involved and the creation through the aegis of such courts of a less adversarial context of winners and losers in which to resolve disputes. This would be a tremendous improvement in procedures relating to family law.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. minister, but his allotted time has expired. He may continue with the unanimous consent of the House. Does the minister have unanimous consent?

Some hon. Members: Agreed.

Mr. Basford: Thank you, Mr. Speaker; I appreciate the courtesy shown by the House. I did not realize my time was up, but I shall conclude very quickly. In the unified family courts, procedures would be aimed at reconciliation and rehabilitation. I discussed this matter with my provincial counterparts at the conference of attorneys general in Vancouver in June which I hosted. Perhaps I might quote from the communiqué issued by that conference:

> Ministers agreed that priority should be given to the development of unified family courts with broad jurisdiction over all legal matters respecting the family unit.

There was some disagreement over the level at which such courts should be sited, but I am confident that this issue can be satisfactorily resolved and that we can get on with the business of reform in these particular courts which touch so many Canadians. I will be meeting, in the coming months, with ministers of the provinces in an effort to establish, where appropriate, unified family courts. Indeed, negotiations in this direction are already well under way in several provinces and I am confident that progress can be made such as was indicated by the attorney general for Ontario the other day in forecasting possible legislation in that province.

The Law Reform Commission also stressed that there are three economic functions to marriage, wage earning, home care and child rearing, and that the present law on matrimonial property really recognizes only the first, which is usually the contribution of the husband or the wage earning provision and does not recognize the two economic functions which are usually the woman's contribution of home care and child rearing. The commission recommended that the law should provide for the equal sharing of property acquired through the earnings of either or both spouses during the marriage. There would be some exceptions relating to gifts, inheritances, bequests or trusts. The recommendation affecting matrimonial property are of immeasurable importance to married women in Canada. It takes direct aim at the anachronism which exists in the law of most provinces and which was highlighted by the Supreme Court of Canada in its decision in the now famous case of *Murdoch v. Murdoch*.

Our ministerial discussions in Vancouver, in June, touched upon this particular subject, and at that time provincial attorneys general expressed the view that matrimonial property is exclusively a provincial matter. This is not a unanimous view. Obviously, the Law Reform Commission had different experts and different views on the federal role involved relating to matrimonial property. The conference did indicate the ministers agreed that provincial governments would be urged to press forward with reform of matrimonial property laws reflecting the concept of marriage as a partnership of equals. I understand, again from press reports, that the attorney general of Ontario plans to table some proposals in this regard very shortly.

• (1530)

I welcome such initiatives to be taken by the provinces and will continue to consult with them to that end. I would point out, however, that if it is their exclusive jurisdiction, they have a responsibility to act, and to act expeditiously. If the provinces do not move expeditiously to put in place meaningful changes in the law relating to matrimonial property to take account of the economic needs and the rights of both spouses, there will obviously be increasing pressure on this parliament to endeavour to try to implement the recommendations, in one form or another, of the Law Reform Commission's report relating to the disposal of matrimonial property. Canadian women should not have to wait much longer for provincial action in this regard. I hope that provincial attorneys general will take note of my remarks, that if it is their jurisdiction, as claimed by them, they should act expeditiously in this area.

We will go forward in the immediate future on three aspects relating to family law. The first is negotiations with the provinces toward the establishment in the provinces of unified family courts. The second is changes in the law relating to matrimonial property to better take account of the economic needs and rights of both parties. The third is formal consultation with those in the community across Canada regarding the other recommendations of the Law Reform Commission's report on family law.

I appreciate the courtesy of the House in allowing me to complete my speech. This is the last day of the debate on the address in reply to the Speech from the Throne. It has in may ways been a useful debate, providing members of parliament with the opportunity to put forward matters of concern to their constituencies and to put forward ideas for action. In the Speech from the Throne the government put forward a comprehensive and coordinated program for action by parliament and the country, The object of the debate within the time allotted in our rules gives the opposition a chance to show their disagreement with those proposals and to show that they deserve the confidence of the House. I have read the motions of confidence with great care, as well as the speeches from the opposition. In the essential task of the official opposition to show that they should be the alternative government they have

failed to persuade this House or the country that it should not have confidence in the present government.

Some hon. Members: Hear, hear!

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

The Acting Speaker (Mr. Turner): In view of the fact that the minister has taken 36 minutes, we must have unanimous consent for the hon. member to ask his question. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, I appreciate the government's intention with regard to a human rights bill to provide for the right of an individual to examine his own file and to claim rectification. That is good, but without the correlative right I wonder how useful it is. Where there has been a rejection by the government of a claim for rectification of a private record of an individual, will that individual have a right to an appeal, either to a court or an independent tribunal, to compel the government to make that rectification on the record?

Mr. Basford: Mr. Speaker, I will answer the question very briefly. Obviously, in discussing a bill not before the House, I was speaking very generally. The hon. member for Peace River (Mr. Baldwin), who has taken a deep interest in this whole matter, will see from the bill that there are methods by which a government or ministerial decision in this area is subject to review.

Mr. Nielsen: Mr. Speaker, will the minister accept one further question?

Mr. Basford: Yes, Mr. Speaker.

Mr. Nielsen: As Attorney General for the Yukon and Attorney General for the Northwest Territories, how quickly does the minister intend to act with regard to the establishment of unified family courts in those two jurisdictions which he knows are separate judicial jurisdictions?

Mr. Basford: Mr. Speaker, we are considering that within our department. At this time I am not able to make an announcement.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have tremendous respect for the Minister of Justice (Mr. Basford), but he is more persuasive when he is on the highroad than when he is making a "cry-baby" speech about the fate of Bill C-83. The government is in charge of the timetable of this parliament. The government asked for prorogation of the last parliament. It ill behooves the minister to say that Bill C-83 is lost, when in the next breath he says that Bill C-72 was improved because parliament prorogued and he had time to consult.

Some hon. Members: Hear, hear!

Mr. Fairweather: The problem with Bill C-83 is that the minister did not consult enough. He is very good at truth by degree. He knows his caucus opposed the bill in its present form. The minister had to bring in some 60 amendments to a tattered part of the bill. The minister also knows he could have had every one of the policies that he listed, had he accepted our suggestion to split the bill. He could have had in place now on the statute books all that part.

Some hon. Members: Hear, hear!

Mr. Fairweather: Let us have a little bit of total truth, not truth by degree. I have no doubt about the future of our country. Yet the lack of will of this directionless government is cause for profound disquiet. As Oliver Wendell Holmes aptly put it:

> I find the great thing in this world is not so much where we stand, as in what direction we are moving.
>
> To reach the port of heaven, we must sail sometimes with the wind and sometimes against it, but we must sail, and not drift, nor lie at anchor.

This government will not reach the port of heaven, or even get within sight of the fairway buoys, if this Speech from the Throne is any indication of the legislation that is coming forward. It is a latter day tragedy. This government has allowed itself to drift. It is in the doldrums of indifference. The captain is unsure of what course to take, and the navigator, the Minister of Finance (Mr. Macdonald), will not even share the charts with the public of Canada. We are entitled to know the direction the government is going to take and the purpose of its journey, but it is sealed because it is confidential and "eyes only".

As the Minister of Justice said, we are in the last few hours of this debate. I have found four or five topics which concern me and my constituents. I hope they will commend themselves to hon. members. These topics are the constitution, the faltering effort of the government to face the issue of freedom of information, problems relating to overlapping jurisdictions, an idea for improving the consultative process between government and management and labour, and, lastly, a personal proposal for solving an international irritant, namely, the ownership of Machias Seal Island at the mouth of the Bay of Fundy. I wish to use this as an example of something the United States and Canada might do together. Because I believe in short speeches, I can only highlight some of the implications of the policy areas about which I have spoken.

● (1540)

With regard to the Official Languages Act, which has been talked about by other people, I wish to restate clearly the commitment I made to it, for its splendid purpose, by my votes in this House in the past. I know I say this at some personal risk, but I think it is time some people in this country spoke out in favour of the reasonable sharing of what we have here. The hon. member for Maisonneuve-Rosemont (Mr. Joyal) put the matter in historical perspective and we should be grateful to him for doing so. There is no need for Canada, which is a carefully constructed experiment involving recognition of fundamental rights in language and culture, to fly apart. It is time

for conciliation, not for confrontation. It is time for the celebration of what we Canadians share together, rather than for the intoning of funeral dirges mourning our lack of will to go on.

I am fed up with Cassandras who are abroad in this land prophesying the end of our country. Canada will live long after those apostles of gloom have passed away. May I ask those who may listen to this statement, including our colleagues from Quebec, to remember that some people express such views at a certain risk, and when voices are raised or importunings are heard I ask them to remember that those who share the aspirations of this country are glad to do so, glad to stand up and say so. But can we not have the same language, that is, the truth, from one end of the country to the other, whether it is English or French?

Some hon. Members: Hear, hear!

Mr. Fairweather: What irony, when the evidence is all around us that Canadians appreciate and treasure our heritage and want to guard it, that there should be those in various parts of the country who would tear down what we have built together and hazard the future of our nation with their narrow stridency. Mere lip service to the commitment of this country is unacceptable.

On the subject of the constitution I would say this: I may sound "preachy" today, but I believe that insolence and petulance are accurate descriptions of the tone of the exchange of letters between some premiers and the Prime Minister of Canada. For Canada's sake, let us cool down this issue. I admit that the government has a mandate provided by stark numbers—if that is all we care about—but I submit it has no mandate at the moment of will in favour of the constitutional debate. The whole debate seems to me to be arcane, characterized by intemporate bulletins lobbing from capital to capital and almost entirely misunderstood by the public which parliament is elected to serve.

A constitution cannot be the private property of some government or some constitutional lawyer advising the government. A constitution which cannot be understood by the people is nothing more than a lawyer's document fit to be hidden away in some file. I believe a constitution should be as clear as the beatitudes and, in its starkness, as eloquent as the Gettysburg Address. The rest of this debate is almost unbelievably out of touch with the mood and aspirations of the people of this country.

I am sad to say this, but I think the Prime Minister (Mr. Trudeau), who for one reason or another has lost the essential elements of good will and trust of the Canadian people, should put the constitutional debate into cold storage until the public of Canada has had the opportunity to say who will lead the country in the years ahead.

Some hon. Members: Hear, hear!

Mr. Fairweather: Mr. Speaker, we live in a time of increasing complexity and confusion, a time when the citizen who wishes to play a responsible role in our democratic system is confronted by an almost overwhelming tangle of bureaucratic red tape. My hon. friend from Peace River (Mr. Baldwin) will long be remembered for his efforts on behalf of a freedom of information act. This is the last part of the twentieth century, and we are still fiddling in this parliament. What worries me is that there may be another government diversion, that we may be faced with another white, grey or red paper postponing a decision the need for which is obvious. This question has been studied by parliament, by the Privy Council, by those who understand our system of government. It is time, now, for a freedom of information act and I very much hope there will be no postponement or diversion by way of green papers and the like. We already know all we need to know about the subject. The appointment of one more committee would be exceedingly disillusioning to those who are interested in this aspect of policy.

Another point I wish to raise has to do with the overlapping of jurisdictions. It seems to me that this is an impediment which hinders the wise governing of the country at every turn and prevents us from going ahead as we ought. Decision making is constantly hampered by the existence of overlapping jurisdictions, meaning that one must wade through a bureaucratic maze, searching from one level of government to the other, with the result that everyone's problem becomes no one's problem. I have a couple of examples which I could use to illustrate this contention. Many people will be unfamiliar with the part of the country about which I speak, but I will take that risk anyway.

The dilemma produced by these overlapping jurisdictions becomes apparent as it affects the coast of the bay of Fundy in a community known as Red Head which is literally eroding or sliding into the sea. Much the same thing is happening along the shores of the Kennebecasis River at Sussex. Citizens groups who are anxious, not for government hand outs but for policies which will help them help themselves, have been continually frustrated, and if I may say so modestly, I too, have been frustrated by the hours I have spent trying to find out which of the many agencies of government are responsible for ending this imminent threat.

The citizens' groups in these communities have organized themselves in an effort to prevent further disaster in their communities, but they need help and, as I say, I have spent hours trying to find out the particular department of the federal or provincial government with which responsibility lies. But the buck gets passed from one level of government to the next, from one the department to the next, and I hope that the new Minister of the Environment (Mr. LeBlanc), a New Brunswicker for whom we have the greatest respect, will be able to tackle this maze of shared jurisdiction and find a way through it for us. I must say, however, that I am discouraged at the prospects for action if the present system of buck-passing goes on. The government has simply not overcome difficulties of governing a complex system, so inertia, it seems to me, is too often the end result.

I wish to say a word or two about the consultative process. Just as serious is the government's failure to provide consensus policies brought about by co-operative consultation between the private and public sectors, between government, management and labour. Instead, what we have seen is an adversary system that has submerged the common interest. Governments used to be thought to speak for the common interest. Unhappily, in recent years, this has not been the case. Professor Paul Malles, a former senior member of the staff of the Economic Council of Canada, has some interesting things to say about ways in which we can facilitate consensus policies, in a pamphlet from the Conference Board of Canada which I am sure my colleagues will want to read. I think if we were to expunge the word "problem" from our vocabulary for a year or so, Canadians would be very much better off. In any event, the good professor suggests that our federal system, our diversified geography, climate and resources, and the limited organizational base for business and labour to speak with a collective voice, are realities of our country that make the road to consensus policies very long and difficult. But he suggests a road that we have to travel.

● (1550)

The challenges are clear. This government, I am sorry to say, has not met them. The alternative is more divisiveness and more unilateral intervention by government. The public has increasingly rejected this alternative. If I may quote Professor Malles, he has this to say:

> Canada's economic problems would be greatly eased if Canadians could somehow develop consultative arrangements that would encourage them to work together in unison, toward commonly agreed upon goals, harnessing the energies of all three of the social partners in a co-operative effort toward mutually advantageous objectives.

This consultation cannot go on if the elements of consultation continue to be hidden, where everything is marked "Secret" or "Confidential". The attitude is, "Don't let anybody see it. Be careful, the public might want to know". The trouble with this government is that they are afraid to share the decisions that have to be made for this country. Professor Malles cites consultative arrangements through institutions of consultation and negotiation between interested partners and government in Europe that are linked in one form or another to planning bodies set up by government. I believe that we must look toward similar arrangements in this country. I do not think that it is a matter of very much pride to Canada that almost every one of the western European countries have in place, and in some cases have long had in place, a much better system of management-labour consultation.

Lastly—you will be glad to know I mean "lastly," Mr. Speaker—through eons of time the oceans and remote breeding islands have sheltered and protected animals and birds which today are finding it increasingly difficult to cope with the encroachments of civilization. Machias Seal Island is a challenge to part of what still remains. Such is the excitement, beauty and uniqueness of the island that it has been studied and visited by world famous naturalists, photographers and writers. The United States National Audubon Society takes great interest in the safety of the birds. I am delighted to tell the House that Jack and Rita Russell, the light-keepers on this island, are committed conservationists. Mary Majka, of Caledonia Mountain, New Brunswick, is a naturalist who has embellished the life of our province with her dedication. These people are anxious about the future of this and other great breeding grounds of our natural heritage. Constitutional lawyers, cartographers and other experts in the foreign service of Canada and the United States are at this very minute engaged in a long and frustrating argument about title to this 15-acre island which is 12 miles south of Grand Manan and 9 miles off the coast of Maine. Machias Seal is the outermost of the islands forming the Grand Manan archipelago.

My own modest and personal idea, as a member of parliament, gleaned from others who have thought about this question is that we forget about the national sovereignty of Machias Seal Island and use the wonderful example of the Roosevelt Campobello International Park which provided for the first time an international sharing of title to land. The United States is joint owner of the Roosevelt Campobello Park, and I suggest that this island also be declared an international bird sanctuary. I suggest—and members might have to go to their dictionaries and look this word up, as I had to do—a co-imperium for birds; in other words, that sovereignty over these 15 acres be shared by the United States and Canada. The constitutional lawyers would all have heart attacks, the cartographers would have to fold away their maps, and the birds would continue to do what they have done through eons of time—breed and lay their eggs.

The United States and the Canadian wildlife services could contract out guardianship, protection and management of the islands to the private sector, to Nature Canada, the United States audubon society, and so on. I might also mention, for the British Columbians present, that this co-imperium might be an excellent solution to the irritant on our west coast, namely, Point Roberts where Canadians occupy the territory but it is part of the United States. In any event, surely our two countries should be able to work this out together.

A nation, St. Augustine said, is an association of reasonable beings united in a peaceful sharing of the things they cherish. I believe very profoundly that it is time we spoke about the things we cherish in this country. By doing this we determine the quality of our nation. We must take great care that we know what these things are that we share, and many members who have taken part in this debate have added to the knowledge of our shared inheritance.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I intend in these remarks to discuss three subjects of particular importance in the province of Quebec. The three subjects are immigration policy, the language question, including Bill 22, and the constitution. Firstly, though, it is highly relevant to refer to the population change in the constituency of Vaudreuil between the centennial census taken in 1971 and the census taken this year, just five years later. The population is exploding, having shot up from 119,000 in 1971 to almost 136,000 in 1976. This is recognizable both in the extensive new house

building that one can see and in the new citizen statistics that are supplied to members. Areas such as Pierrefonds, Kirkland, Ile Perrot, Vaudreuil, St. Lazare and Rigaud have all seen impressive residential construction. This new home building is to be augmented by extensive development plans such as those on beautiful Ile Bizard.

Talking to house builders leaves the distinct impression that the majority of the families buying these new homes are English-speaking. This impression is supported by the new citizen statistics which indicate that in the last four years 85 per cent of the new citizens in this region list English as their language. On the island of Montreal, the population increase in the Vaudreuil constituency has exceeded 17 per cent in the five-year period of 1971 to 1976. Off the island, in the land area enclosed by the Ottawa and St. Lawrence Rivers and the Ontario border, the population increase has been even greater, almost 19 per cent in five years.

There are two key points to be made from these statistics. Firstly, it appears to give the lie to the oft repeated statement that the English are moving out of the province of Quebec. Secondly, it supports the contention of the government of the province of Quebec that federal immigration policy could negate the cultural and educational programs and planning in areas which are acknowledged to be 100 per cent provincial jurisdictions. Thus, it is absolutely essential, if only for reasons of orderly planning, that the provincial government participate actively in the formation and application of immigration policy. Let me try to make a more forceful illustration of this point. The federal government has, of course, already acted to avoid such an extreme case. It would be catastrophic in its consequences to establish an immigration quota for this year of, say, 200,000 persons and then to permit them all to establish in one of the big cities with its attractive labour market and high salaries.

● (1600)

Whilst the importance of participation in the establishment of immigration policy is more obvious in Quebec, for language and cultural reasons, it is equally important for good economic planning. The industrial growth of the province is a key consideration if the standard of living and the general prosperity is to advance at a rate adequate to satisfy our expectations. The manufacturing sector particularly must be developed to take greater advantage of the natural resources with which this province has been blessed.

From immigration it is natural to turn to the language question. This is undoubtedly the hottest issue in the country today, for two reasons, both of which are extreme: the government is shoving French down English throats and only the separation of Quebec can guarantee the preservation of the French language and culture. First let us look at what the federal government has done, or at least has tried to do. In 1974, at the executive level of certain key departments, the French-speaking representation was still under 10 per cent. In general, very little progress has been accomplished in the use of French as a working language. The total cost of bilingualism in the public service is about $135 million. A further $30 million is allocated to national defence. It is interesting, however, to stop at this point, to compare the implementation of language policies in the Department of National Defence with the public service generally. The hon. member for Winnipeg South (Mr. Richardson), the recently resigned minister of national defence, said:

For promotion to the rank of major and above linguistic ability in a second official language is a factor.

He then goes on to describe how the scoring system determines relative merit based on "performance and potential". Thus, linguistic ability in a second official language, whether English of French, enhances an officer's position with respect to promotion to the rank of major or above in relation to a unilingual contemporary when all other factors are equal. As the hon. member for Winnipeg South said:

The department is endeavouring to establish an Anglophone/Francophone balance of personnel in the forces corresponding to the national ratio of the two groups.

It is this approach that I have personally promoted for the public service. It is not easy for a person who has passed his or her youth to learn a second language. It becomes substantially impossible when there is a force, when French is being shoved down the unilingual English throat. The English appear not to want it, so why force them. Keep the language courses available on a volunteer basis only and recognize the ability to speak a second language as the asset that it is when candidates are being considered for promotion.

That brings me to Bill 22, and since one of the major contentious issues in this bill has concerned education I should like to make reference first to federal involvement in this field. The federal government grants between $135 million and $140 million to the provinces for their second language programs. It is assumed that for a province to organize and maintain two parallel systems of education, where the language of education in each is different, is more expensive than if it had only one system of education for all its students. We are reimbursing Quebec for the extra costs it incurs in providing for the English minority and equally sophisticated system of education as that which it provides for the majority. Although great progress has been made in this respect in other provinces such as Ontario and Manitoba, Quebec more than any other province, achieves this objective. Quebec is the only province where second official language instruction is compulsory at the secondary level for both the Francophones and the Anglophones.

The government of Quebec does its best to assure good quality education for its students. An OECD committee of experts on education reported recently that Quebec is the only province of Canada where the objectives in education seem to be clearly defined. The province of Quebec is second after Ontario for its per capita spending in education, even though Quebec is not the second richest province in Canada.

Now I will comment on Bill 22 and repeat what I said two years ago, "People in the province of Quebec can well take care of themselves without Bill 22." However, the bill was promised and has been passed. Even after the adoption of Bill 22 Quebec is still, among all Canadian provinces, the one which treats the language of the minority, on her territory, with the most equity, the most liberalism and the greatest

generosity. If the other nine provinces suddenly decided to show the same respect toward their own official language minorities we would witness a miraculous blooming across the whole country. The Montreal *Gazette* said:

Whatever the failings of Quebec's Bill 22, it still preserves a substantial place for English education in the province. Manitoba and Ontario should be prepared to do no less for their French minorities.

Let us examine the bill for a moment. The only real teeth in the law are in the section empowering the government to withhold subsidies, contracts and certain other advantages from companies not favouring French. Significantly, the law provides for fines in only one section, that is, for those failing to provide French on product labels, warranties, menus and wine lists.

The law states that all official texts and documents emanating from public bodies, the provincial government, its departments and agencies, municipalities, urban communities and their various agencies such as transit commissions, school boards, colleges and universities, must be in French, but adds that these may be accompanied by an English version. In the other provinces across the country the English version prevails over the French. Every individual has the right to address all these bodies in French or English. In cases where at least 10 per cent of the persons served by a municipal or school body are English-speaking, and this is the case for at least two-thirds of those bodies in the province, both French and English must be used in official texts, if this is already the practice.

The law states that no one will be employed or promoted in the public administration unless he has an appropriate knowledge of French. There could be unilingual English public servants in Quebec, provided they were not in direct contact with the public. Remarks addressed to the chair in any area of the public administration may be in French or in English, at the option of the persons addressing the remarks. This gives English-speaking Quebeckers a right spelled out at present in no law.

● (1610)

In education, the law states that pupils must have a sufficient knowledge of the language of instruction, French or English, to receive their instruction in the language. The law also says that the education minister may, in accordance with the regulations, set tests to ascertain that the pupils have sufficient knowledge of the language of instruction to receive their instruction in that language. Personally, I do no believe that there should be an entrenched right to choose the language of schooling when the child is not able to speak that language. However, on a non-legislated entitlement basis I am particularly happy to see the successful immersion schooling in our constituency today. However, there has been one contentious issue that looks as if it may be nearing resolution, that is, the division that can be created in an immigrant family. A family coming to this country has not expected the right to demand French schooling in the English provinces. Nevertheless, it has been possible for a family settling in Quebec to choose to send their children to an English school, even though English was not their language. It does not make sense to divide the children and the family by legislation which was not in existence when they made their decision to choose Quebec. The numbers are relatively few. Future immigrants will know the rules. A small change in the application of Bill 22 will remove this very emotionally charged and understandable issue.

Hand in hand with the discussion of immigration policy and language rights must go the discussion of jurisdictional responsibilities and our constitution. One cannot deny that the constitution was formulated and signed at a time when it would have been difficult to envisage the changes that have actually taken place since confederation. To name one aspect alone, the religious attitude, would suggest that our forefathers did not even think it necessary to contemplate and make provision for such a change.

There are extremely few in this country who are not firmly convinced that a revised constitution should be formulated and amendable in Canada. It is my personal conviction that changes in the constitution affecting immigration policy, communications responsibility and cultural sovereignty, are far from insurmountable obstacles. These are primarily emotional issues and good common sense is likely to prevail. For example, in the field of communications the federal government can hardly fail to recognize the impact of this highly-developed sector on education and culture. However, there is one acknowledged provincial area of responsibility that is looming as a major stumbling block to an agreement; that is, the effective level of control of resources. This question, probably more than all others, must be studied in its totally national context because of its major economic impact. Whether we discuss British Columbia lumber, Alberta oil, Saskatchewan minerals or Quebec hydro-electric power, it is questionable whether we can live in harmony as a nation if we are not able to recognize the national interest first. Surely no one province should be able to hold a gun to the heads of the other provinces. We are, obviously, going through a preliminary bargaining session. Advancing technology, the development of the third world, with its impact on our economy, and the good common sense of the Canadian people will surely lead our federal and ten provincial governments toward an accord. When we reach that long-awaited agreement, it is my hope that at that point in time we make the national declaration of our new and 100 per cent Canadian constitution. I am, personally, opposed to wasting any plane fare to pick up a piece of paper in England.

I will conclude by repeating an extract from last month's Observer:

One of our greatest possessions in Canada is our heritage of two peoples with two cultures and two languages. Our future and the future of our children will be immeasurably enriched if we can keep this country together; it will be deeply impoverished if we divide. We like to believe that we are a tolerant people, but we should never tolerate racial or cultural intolerance. And we would hope that Canadians might so act as to contribute to their pride in themselves and appreciation of our language and traditions.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I first express the traditional and very heartfelt congratulations to the mover and the seconder of the address in reply to the Speech from the Throne, to those eminent persons who have

occupied or reoccupied positions in the chair, and to the new cabinet ministers who might have a reasonably limited time to become accustomed to the glory that is temporarily theirs.

I sometimes think that perhaps a speech from the throne is an anachronism, but when I heard that strong, honest and extraordinarily eloquent speech by the hon. member for Fundy-Royal (Mr. Fairweather) this afternoon I thought that makes us realize that this is a good occasion for speeches of this kind.

Some hon. Members: Hear, hear!

Mr. Baldwin: However, the writers of the present speech seem to have really covered the waterfront. They appear to have left out very little except a cure for the common cold and the Ten Commandments. I am informed that since October 18 the Prime Minister (Mr. Trudeau) has been looking at the Ten Commandments and is going to have the Privy Council make a study of them and have them made available publicly. They will probably show up, in my humble opinion, as an annex to the anti-inflation program regulations.

Mr. Knowles (Winnipeg North Centre): All ten of them?

Mr. Baldwin: Almost. If the items which show up in the Speech from the Throne sound vaguely familiar, they are, because they have shown up in so many other throne speeches. Inflation, unemployment, small business, competition, bilingualism, agriculture, national unity, labour relations, social assistance, transportation, federal-provincial relations and constitutional problems have, under the same or different names, been referred in such speeches for the last 100 years.

In fact, some of these problems were around on the occasion of the bringing together of the individual provinces to cause confederation. In most cases these are tough problems, conundrums which are related to the permanent characteristics of human beings as individuals and collectively as society. They will not easily yield to final solutions and are likely to be around for the next 100 years. I hope future governments will be more honest and open than the present one and will admit there are no miraculous cures but just present remedies for existing symptoms. The people seem to know this. They are pragmatic and instinctively more intelligent than their rulers. They recognize that the limitations, the accelerating distrust and the loss of faith in the manner of our governing stems from this.

● (1620)

It is a deep, angry and abiding aversion to the way we are ruled, rather than to acts of default, error and omission that turns the public off. It is the rigidity and over-discipline of political parties, particularly the party in power, a lack of effective rules in the House, which places the government, the cabinet and the civil service far outside the scope of meaningful public or parliamentary challenge. It is the enormous increase of delegated authority.

[Mr. Baldwin.]

I have here Canada *Gazette* 110, number 19, with 200 pages of nothing but regulations and orders in council. This is the kind of thing which the people of this country are faced with. Above all, it is the impenetrable veil of secrecy behind which bureaucrats and ministers are able to carry on their arbitrary powers free from adequate challenge. This has progressed to the stage where there is no longer a responsible government.

This is not only my view. I have here the editorial of July, 1976, from "Round Table" dealing with the situation in the United Kingdom. I quote from that article at page 216. It talks about the United Kingdom, but the only difference between the U.K. and Canada is about five years. It reads:

> The convention of ministerial responsibility has almost reached a point where it is but a memory with antique charm.

It is a ludicrous fiction to suggest at this point that the House of Commons can exercise any real control over the government on the principle that the members who sit in the executive council, the Privy Council, are members of the House of Commons whom their peers in the House can at any given moment eject from office. This is nonsense. It has happened twice in 50 years, and on both those occasions it was because we had a minority government and the minor party, which, for reasons best known to itself, saw fit at the time to act in this way because they said, "That is enough; we will put the government out." It was not a question of responsible government at all. Most individual members are now limited to the role of an ombudsman in respect of their own constituents or, as supporters of the party in power, waiting and scheming to come into the cabinet.

It is not an insignificant role, I do not downgrade it, it is a very important role; but far less than the proper concept and function that this House should have. In short, with very little real opposition from the public press or parliaments, power has slipped into the hands of the bureaucrats and whoever happens to be prime minister. They not only administer, but in most cases make policy, and I doubt if any government—certainly no government so far—has shown the capacity, the strength, the know-how or even the will to do anything about it.

There is only one place where the scales can be more nearly brought into balance, and that is on the floor of the House. If it can be done—and I am not sure that it can now—it will be only by reason of tremendous effort by members on both sides of the House. This side cannot do it alone. It will require the co-operation and the support of some hon. members on the backbenches on the other side of the House. Indeed, it may be asking too much at this time to overcome the inertia, the easy ride with the status quo and the unhappiness about having to challenge City Hall.

The major item in any package to bring this about is the right of the public to know the real truth about the actions of government and the concomitant duty of officials to disclose the facts. If anyone wants to take the time and trouble to go back over many years and review the inception of major programs in this country, either capital construction or social benefit plans, it will be found that in almost all cases they were

launched with false statements as to their initial and continuing cost and their effect.

From the refitting of the *Bonaventure* to the quasi-welfare proposals of the UIC of several years ago, from federal contributions to Expo to the ill-fated hydrofoil project, there has been deception or lies or appalling ignorance or gross negligence and, sometimes, a mixture of all. I can say this without doubting the intrinsic value of many of these proposals. It is incredible that supposedly intelligent and conscientious people with access to the facts and statistics should have been allowed to peddle the propaganda which they did.

In my judgment, if there had been the opportunity for public access to the factual material, the various programs would have been tailored to reality and the enormous deficits and fiscal irresponsibility which constituted such a large element of inflation would not have occurred. If the officials and the ministers who put together these schemes had known at that time that they would be compelled by an adequate and working freedom of information law to publish the true facts, and had realized that the data would be subjected to contemporary scrutiny both in and out of parliament, it could well had been a different story.

It is an interesting sidelight that when we did find out something of the real horror stories behind many of these programs, it was as a result of the reports of the Auditor General. By the time the report came out into the open, the horses were gone, the door was locked and many years had elapsed. But bear in mind that it was only because the Auditor General had the right by law, under the pertinent provisions of the Financial Administration Act, to go to the public service and secure all the documents he desired and have access to the books of account. Without that right, the Auditor General would be in no better condition than we are, or than the public or the press. The Auditor General has his own freedom of information law and because of that, although often it is too late, we find out the facts.

I note with interest the words in the Speech from the Throne about freedom of information. They could mean anything, or nothing. If the government has in fact accepted the proposals made from this side of the House by myself and by my colleagues, and developed in the committee, and is prepared to produce a meaningful, workable, valuable freedom of information law with teeth, then I say, "More power to you. Go ahead with it." But I challenge them to do that. The members of all the opposition parties and, I believe, many members on the other side, want that kind of thing. I am authorized to say that when the Conservative party forms the government after the next election, if there is no valid freedom of information act produced by this government it will be enacted in the first session of such a Conservative administration.

Some hon. Members: Hear, hear!

Mr. Baldwin: We have been hearing that we have no policy. I reject that. Here is a policy on a major issue which, in my opinion, is of equal importance with the other issues which have been brought up. What policy does the government have? I say that there is an opportunity for the government to let us know where they stand. I say to hon. members opposite that we are dealing with a major issue. People all over the country are aroused, and not only in this country but in other democratic countries, because of the events of the past few years. There are people all over the country, such as people from the organization called "Access" in this city.

I have travelled throughout Canada and have spoken in about 15 cities on this issue. There are large numbers of people who strongly support and demand that this measure be enacted. I say to hon. members, not as a threat but as a statement, that if it is not passed, this government is in even more serious trouble than I would otherwise expect it to be. If, as I suspect is the case, the top mandarins and one or two cabinet ministers who really run this country and flourish in the dark places of the secret society refuse to allow the parliament and the government to pass a law of this kind, then I have to say that the hon. gentlemen who form the government, this group of political dinosaurs, are really ready for the bone-yard.

● (1630)

Whom the Gods would destroy, they first make mad. To talk as they do in the Speech from the Throne about finding the middle way, to suggest that there will be consultation with different groups in the country, to try to find that way and then to deny to us, to the public and to the media, the facts and material on which we can evaluate the position of the government is like the prologue to a tragedy. People do not trust the government. They are cynical about its motives. They are fed up with being kept in the dark. That just will not wash any more. The public will live with honest disagreements. They expect that mistakes will be made. But they will no longer sit idly by and be hoodwinked by trickery and deception.

The Prime Minister and the government ought to realize that this is one of the main causes of the voters' disaffection with them, and the Prime Minister is kidding himself if he puts the blame on bilingualism and wage and price controls. The manner of governing and the way these matters were handled have touched the raw nerve of public indignation, and the details we now know make this plain beyond any reasonable doubt. The October, 1975, anti-inflation program was conceived in trickery, born in confusion and deceit and nourished on evasion, secrecy and blunders. There is no wonder that the public is unhappy.

At the time of its passage, the official languages bill was not ill-received in Canada. The anger and frustation of today has come about because it is now plain that the terms of the bill constituted a facade behind which the government had planned and had available from the beginning regulations to use abrasive and ill-judged methods of implementation, but hid the fact at the time of debate. I reject the contention of the Prime Minister and his friends that Canadians dislike the present government so intensely because they do not understand these programs. That is a gratuitous insult to the public.

The public understands only too well. If this government had been forthright and honest about all the details of the proposals, and if there had been public and parliamentary debate based on the truth, the situation would not have deteriorated to the present dismal state. But the trouble is that the government is congenitally incapable of being frank and open and the entire country is suffering because of it. With their track record in sensitive and potentially divisive and exceedingly difficult matters, how can the Prime Minister demand sympathetic understanding from people affected by the language policy, or expect wholehearted co-operation from trade unions, businesses and others who are whacked about by the anti-inflation program?

To be viable, effective and in the public interest, a freedom of information act has certain minimum requirements, and all the countless instances of government secrecy bear me out in this. There has to be a declaration of the right of the public to access to all government documents which, with certain exceptions, include computer tapes. These exceptions must be clearly and precisely described. All applications for disclosure must be dealt with simply and expeditiously.

Finally, any refusal by the government to give the information must be appealable to an independent court or tribunal whose decision is binding on both sides, and the onus ought to be on the government to establish that the document should not be released. With that in mind, I asked the Minister of Justice (Mr. Basford), after he had completed his contribution to this debate, a question with regard to a collateral issue; that is, with regard to the right of people to demand access to their own personal and private files and, if the information in those files is incorrect, to demand rectification. That may be all very well, but let us suppose that rectification is refused. Many of us know—because we have seen illustrations from our own constituents—of people who have on record about them false, improper and incorrect information. The right which the Minister of Justice spoke of in his speech today is useless. It is of no value unless there is a final resort to an independent tribunal to compel the government—or a private corporation, when we come down to that stage—to make rectification.

The minister waffled on that. He talked about a review. A review by whom? By Messrs. Michael Pitfield, Gordon Robertson and Gordon Osbaldeston? They are inestimably fine gentleman, but not the kind of people I want to have to resort to in order to challenge the actions of the government. I am reminded of one of my early days in court, as a young lawyer, when I defended a man charged with bootlegging.

Miss Bégin: It shows.

Mr. Baldwin: I will suppress what I was going to say about the hon. lady. After this man was found guilty—most improperly, the evidence was not there—I told the JP that that could not be done and that the man was not guilty. The JP replied that it was already done. I said that I would appeal. The JP was half out of his chair, but he said, "All right, Mr. Baldwin, I will hear your appeal right now." That is precisely the system this government wants to adopt; it wants to hear its own appeals. That is not good enough for this House and it is not good enough for the people of Canada.

Some hon. Members: Hear, hear!

Mr. Baldwin: There are other aspects of the requisition of the required elements of a freedom of information bill, but we cannot settle for less than the above. The sheer size of the civil service, both provincial and federal, makes it repugnant to our sense of fairness, justice and sound government to place in their collective hands the right, at their whim and without challenge or appeal, to remove document of public interest from the scrutiny of parliament, the public and the press.

What has been the reaction of the government so far through its spokesmen in the committees, in the House and in different parts of Canada? There are various objections, but the main bureaucratic resistance—and the government's spokesmen, acting on behalf of the bureaucracy, are making these apologies—is based on three things. The first is an unwillingness to submit to the jurisdiction of an independent tribunal. On that I have said as much as I need to say. The government feels it should have the right to have the last word and to have the final veto. I think it is unthinkable and unacceptable to leave to bureaucrats the opportunity to decide what documents in their possession should be made public. There is a refusal to produce working papers or so-called internal documents. Any exemption of this kind provides a bottomless pit into which all government data can sink out of sight. These are the kinds of objections which precipitate the leakage of documents, a demeaning and humiliating method of acquiring information.

There are some leaks that we know of. Governments leak documents purposely to try to manipulate public opinion. Sometimes people leak documents for revenge or for gain, but I am thinking of the genuine case of the civil servant, torn between conscience and the oath of secrecy, who knows that the government, in breach of factual information put before it, is ignoring facts and statistics and is going off in a direction which it thinks is more politically advisable but wrong. What is the position of the civil servant of that kind? Too often this leads to leaks. I suggest that the introduction of a proper freedom of information bill would eliminate at least 75 per cent to 80 per cent of leaks of this kind.

Finally, the third reason the government advances for refusing is that the government says our system is different. I have heard that argument advanced all over the world. I have heard it in Austria, France, Britain and Australia, and not too many years ago there was a case in the United States where some very eminent lawyers were arguing in the supreme court of the United States. They said, "We have a unique and distinctive system of government in the United States: We have the separation of powers: It is absolutely unthinkable that this material should be opened up to public survey." That was the argument made to the supreme court of the United States by the lawyers for Richard Nixon.

● (1640)

I have heard almost the same words repeated in this country time after time by government spokesmen. They maintain that we cannot have a freedom of information bill here, that we cannot allow an independent tribunal to make a decision on it because our system is different. This is a specious argument made by people who see themselves as Horatious standing at the bridge, defending the grounds of privilege and absolutism and the opportunities for vast patronage. This is the true reason why people on the government side are afraid to have a bill that will work.

The rights which we seek to obtain by legislation of this kind are not extravagant or improper. It was said hundreds of years ago that a people which means to govern itself must have the power that knowledge brings. It is their money that is taxed from them and spent by others; it is their property, their privileges, their well-being that is affected. Nobody, not even the Prime Minister, and probably not even the hon. member for Verdun (Mr. Mackasey), acquires extraordinary gifts by being sworn into cabinet. No civil servant, no matter how high his rank or his experience, automatically obtains the mystique and the gift of divine wisdom.

There is the little story about James I speaking to the judges—a practice you will notice, Mr. Speaker, that has come down to the present day with the executive speaking to judges—that which concerns the mystery of power is not lawful to be disclosed, because to do so is to wade into the mystical reverence that belongs to who sit on the throne of God. I know there are a few of the bureaucracy who do not think they sit on the throne of God; but there are still about 10 per cent for whom the jury is still out.

Mr. Speaker, civil servants and others are subject to the frailties and faults of the rest of us. Because they are dealing with our affairs, they must be accountable to parliament on behalf of the people we represent. I recognize that the business of governing is complex and difficult and requires quick and effective action. I am not suggesting that parliament should govern. We cannot govern. That is for government. But government must exercise that authority on all occasions subject to the knowledge that they will have to account for it. The power to govern is a trust and, like any trust, there has to be an accounting. It is not enough to rely on the clumsy and blunt weapon of periodic elections, essential as they may be. This accountability has to be on a day to day, week to week and a monthly basis.

That is one side of the coin, Mr. Speaker. The other side is the right of people to have easy, simple and expeditious access to facts and information they are particularly interested in: their own files, as is suggested by the terms of the new human rights bill; data about the quality of the food they eat; the products they buy—are they safe or hazardous; information about immigration; environmental and pollution data; information about decisions of boards or tribunals that affect them; claims for social benefits; and the 1,001 things that intimately affect their lives. This will not come easily. People who wield power and great authority which others do not possess will not readily yield it. They will obstruct, argue and rationalize and offer specious and irrelevant excuses. This is a struggle which I suspect will be hard, tough and long, but it can provide a chance for members on both sides of the House, if they want, to bring about a renaissance of responsible government. It may be our last chance.

Mr. Speaker, we have no God-given assurance that our method of governing ourselves will be eternal. Surely no system can, or should, survive when it rests on a shifting foundation of political dishonesty and organized government lying. This applies to most democratic countries at the present time. This is the stage to which they have developed. If people understand that their representatives are unable or unwilling to look after their interests against the actions of big government, they are going to find some other way.

Some hon. Members: Hear, hear!

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, I should like to join with others in this House and pay my compliments to the mover and the seconder of the address in reply to the Speech from the Throne. They have done a commendable job and everyone in this House appreciates their efforts very much. I should also like to express my appreciation for the opportunity to speak on the debate on the Speech from the Throne.

First of all, however, I should like to make reference to the passing of a colleague, Mrs. Morin, who loved her work in this House, who was highly respected and who in the past controlled the proceedings of this House many times. I should like to offer to her family my personal condolences and those of my family.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): My responsibilities to the people of Canada, in my portfolio as Minister of Veterans Affairs, have been varied and challenging during the past months. Today I am happy to say Canadian veterans are enjoying one of the most comprehensive programs for veterans to be found in the world. There are many things that we as Canadians should be thankful for today. One of them is peace and freedom, for which we paid no small price. Another is the natural bounty of this great land of ours. Another is the quality of life we enjoy thanks to our own endeavours and accomplishments. We are fortunate, as a nation, compared to most nations of the world today. But we have largely created our own good fortune by bending our backs to the task of building something valuable and distinctive.

According to the last census, there are still nearly a million veterans living in Canada. A major portion of these are married, and many of them still have dependent children. Accordingly, we estimate there are probably nearly two million Canadian citizens who are potentially entitled to one or more benefits under the various pieces of veterans' legislation. This year, its golden anniversary year, the Royal Canadian Legion has decided to organize a very special campaign known as Operation Service. It is aimed at making contact with every

war veteran and ex-service person and their survivors, to make sure that they are fully aware of their rights and privileges.

The veterans' charter, one of the best in the world, represents tangible recognition of Canada's debt to those who gave their services and, in some cases, their lives for their homeland. Yet, astonishingly, large numbers of ex-servicemen, and probably an even higher percentage of widows, have failed to seek the benefits to which they are entitled. This has happened despite the ongoing efforts of the Legion, other veterans' organizations and the Department of Veterans Affairs to publicize the provisions of the veterans' charter.

I would like to tell the hon. members that today it is because of action such as Operation Service that I will continue to respect the voice of the national council of veterans' associations, and especially the Royal Canadian Legion who are always so essentially helpful to both me and my senior officials whenever we sit down to discuss matters such as benefits and hospital care for the veteran. These organizations talk sense and they talk both from the mind and the heart. My department will continue to press for changes in legislation which are in keeping with our times and with the spirit and intent of the veterans' charter. Also, Mr. Speaker, I should like to reiterate what I announced in the House of Commons on September 29—that casual earnings exemptions for more than 90,000 war veterans' allowance and civilian war allowance recipients have been increased by 50 per cent. Veterans and widows will now be able to accept additional casual employment to supplement their allowances and increase their well-being. In other words, it will give those who want to work the chance to do so.

Another important aspect to the operation of my portfolio, Mr. Speaker, is remembrance. This is the responsibility of all Canadians to those who fell in defence of our country, and it is our duty to remember and revere their sacrifice—soldiers, sailors and airmen who secured for Canada the freedom we now enjoy. I trust I have demonstrated to hon. members that my department is well aware of the obligations it has to those who so gallantly offered their services to our country in time of war. We will continue to honour those obligations. I would be remiss, Mr. Speaker, if I did not thank the hon. member for Winnipeg North Centre (Mr. Knowles) for the kind remarks which he expressed last Thursday.

● (1650)

As we start this new session of parliament I would like to take a look back at the summer months and a look ahead to what has been forecast by the Speech from the Throne. The past summer has been an extremely busy one for me and the other members of cabinet. As well as my travels to Prince Edward Island and my own constituency, it was my pleasure to travel during the summer months to Winnipeg and other parts of Manitoba, to Saskatchewan, to various parts of Ontario, New Brunswick and Nova Scotia. On each of those occasions I had the opportunity to meet large groups of Canadians and discuss the situations and problems facing our country today, and wherever I travelled I found people very aware of the effort being undertaken by the government, and very concerned that solutions should be found.

The situations which seem constantly to come to the fore are bilingualism and the economy, and I feel both are well in hand. There are criticisms of the bilingualism program and the way it is being implemented. This criticism is useful and constructive to the government, provided it is founded on reason and not on prejudice. We must never forget Canada was founded by two races of people who vowed to work together in a unique type of country where all enjoyed linguistic and cultural equality. We must not deviate from that, for if and when we succeed in having a country composed of two races enjoying truly equal rights, we shall be unique among countries of the world and will a shining example to other lands and peoples. I have a belief that this particular program is widely, almost universally, supported by Canadians on principle, and while there may be small disagreements regarding implementation, it certainly will lead to a truly bilingual society.

Another area on which discussion has centred for the past year or two is the economy. It is now just over one year since the controls programs was implemented, and to my mind it is a success. On October 14, labour held its day of protest, and to all intents and purposes it could only be described as a failure. Large numbers of union members and labour in general stayed at work because they realized their relative position had improved a great deal in one year.

The rational and thoughtful people of Canada realize we cannot go on taking more out of the economy than we are prepared, through our productivity, to put back in. All segments of society must work together to defeat inflation, and it is unfortunate that one group, big labour, feels it must confront the rest of the country and demand more than its share from business, government and, indeed, from those on limited and fixed incomes who suffer most from the ravages of inflation. It sometimes seems that these disputes centre entirely on the basis of the person's own personal needs, while no thoughts are given to the well-being of the country or to other segments of society. At times like these it would seem more sensible to me if all the participants would take a long, sober look at what is happening and governed themselves and their organizations accordingly.

The anti-inflation program is working, and working well. The economy is proceeding along the path of a moderate recovery, registering about 5 per cent growth in real terms. The recovery is being led by increases in consumer expenditure, residential housing activities and export of goods and services. Business commitment has been weak, as can be expected at this stage of the cycle in view of the fact that not all companies are yet operating at full capacity.

We know where we stand at the present time with the economy. However, we must also look to the future. Bearing that in mind, I would like to mention briefly the general philosophy of the government as expressed in the Speech from the Throne, and the plans which have been formulated for the months and years ahead. Of particular interest to those of us

in areas of high unemployment are plans to create a year-round, comprehensive, direct job-creation program directed toward areas of chronic high unemployment. Other programs will provide more job opportunities and improved employment counselling for young people. The government does not intend to compete with the private sector for the services of unemployed workers, but will create jobs in areas where its efforts will be a necessary supplement to private sector activity. As hon. members know, we have already enjoyed, in Prince Edward Island, the benefits of the community employment strategy. This new program should expand on the good work already undertaken by Manpower and Immigration.

Transportation is always an important issue on Prince Edward Island. In the Speech from the Throne the government said "changes will be introduced to the national transportation act to protect against unfair freight rates". This is a step which will fit into two areas of government policy, regional development and the competition policy. We on Prince Edward Island are very aware of the energy crisis and the problems related to our dependence on foreign energy. When he visited us last month, the Prime Minister (Mr. Trudeau) officially opened the Ark which is dedicated to the search for alternative forms of energy. In the Speech from the Throne, the government committed itself to—

—place further emphasis on research and development of renewable energy sources and on means of improving the efficiency with which energy is used in Canada, particularly the thermal efficiency of residential and commercial buildings.

Housing is another priority area of the present government. The goal of one million new house owners in the next four years remains a key element of the government's housing policy. In concert with other levels of government and the private sector, the government will work to increase the efficiency and input of Canada's total housing effort.

A while ago I mentioned regional development, a principle to which the government remains committed. This has, of course, been a dominant factor in Prince Edward Island life since the policy of regional development was undertaken. The government has, once again, outlined its commitments to small business, recognizing that these are the mainstay of Canada's economy. They continue to be our economic backbone. The government will provide measures to assist small businesses by improving access to financial assistance and other services provided by government departments.

The Speech from the Throne was an interesting and valuable document giving much reason for optimism across Canada in general and Prince Edward Island in particular. Mr. Speaker, I thank you for the privilege of speaking today.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, in my many years here I have not gone through a throne speech debate in which all four members from Prince Edward Island have taken part. Whether this intelligent and illustrious institution can stand such an operation, I do not know. However, it is a pleasure to follow my neighbour, colleague and friend, the Minister of Veterans Affairs (Mr. MacDonald). It is tradition, and I do it very seriously, to congratulate the mover and the seconder of this address. I know both these men well, but perhaps the seconder a little better because I also knew his father who was an illustrious member of this House.

I rejoice with all members and all Canadians in the splendid measure of recovery of His Excellency. The mover described Her Excellency as an example to all Canadian women. I would use a somewhat different expression. I think this great, devoted and brave woman is an example to all Canadians. I was filled with pride during her reading of the throne speech. Over many months her supportive role to her husband and in the performance of her own important duties has earned for her great distinction. She is a credit to the nation; one of the greatest ladies we have produced.

Some hon. Members: Hear, hear!

Mr. Macquarrie: It is customary to extend one's good wishes to newly appointed or newly reshuffled cabinet ministers. This is a bit more difficult these days because one must check the morning paper every day to see who is still around. But I do wish the survivors well. In the lame-duck category in which they find themselves, they will need a plentitude of good will. I will be plenteously generous with them.

● (1700)

I am glad my old friend and fellow-islander, the Minister of Veterans Affairs is still in his post. I also hope that the move of a segment of the Department of Veterans Affairs to Charlottetown will take place while he is still minister so that we may both have an opportunity to attend the ceremonial opening.

It is hard to sort out the winners and losers in the kind of shuffle the Prime Minister (Mr. Trudeau) engaged in a few weeks ago. But surely one victim was the man who least deserved it, the President of the Privy Council (Mr. MacEachen). This distinguished maritimer, skilled debater, and splendid scholar was doing a good job as Secretary of State for External Affairs and was gaining confidence and international respect as day followed day. So he is withdrawn from the international scene, from the world of diplomacy, to what? To be the adjutant in the Prime Minister's last stand. If he were Demosthenes and Plato combined, the President of the Privy Council could not so function in this House as to make this government look good. While it might have been a noble gesture for him to know his true Grit loyalty it will, I fear, prove something less than a brilliant exercise in judgment. How cruel to expect him to avert the inevitable, to arrest the irresistible.

This government's caravan, with its cargo of disillusionment, dissension, decrepitude, and debility is on a downward course and while, from time to time, a square wheel is removed, another one is added and it is always hard to make useful salutary changes when plunging downhill. There are some who say the government is going nowhere. I disagree. I think it is headed for that well known destination described by Mackenzie King in a rare moment of candour as the "Valley of Humiliation".

The present government is passing through a phase well known to tottering administrations. I have witnessed it in my own lifetime and I have read about it in the history of Canada. The reaction is traditional: first, blame the press—and that process is certainly under way. The next is to make the same look different by indulging in some sort of cabinet shuffle, making the new look old and the old look original. The third step is to present to the people a Speech from the Throne which will offend none and attract all. Last—and this technique is, I must admit, a new one because of the development of the electronic media—spend millions of dollars on the principle that if you tell the people often enough they will eventually catch on and realize that the government is right and that they are wrong.

How futile is all of this! How many Canadians can recall today even 50 per cent of the glittering generalities contained in the Speech from the Throne—and most of them were more general than glittering? Mr. Speaker, these exercises, these tinkerings will not work, nor should they work. For as the Leader of the Opposition (Mr. Clark) so rightly noted, the government is seeking not to change itself but to cajole the public into changing its perception of the government.

There is an old saying that Hell knows no fury like a woman scorned. I have not scorned a woman, but I have read this adage. And I would say that a government faces no fury like an electorate misled. What happened in St. John's West and Ottawa-Carleton is but a forerunner of what is to come. If it is too late to say repent, at least I can say "beware". And when the change does come it will not be because of any great difference in ideology or because the country is moving to the left, or to the right—I do not think those terms are very meaningful in Canada. It will be because the people are sick and tired of being poorly governed.

Some hon. Members: Hear, hear!

Mr. Macquarrie: How long has it been since this great, prosperous and wonderful nation has had an efficient government in charge of its affairs? That is what the people are wanting. They are crying out for good administration. But, Mr. Speaker, you know my temperament. You know I do not want to indulge long in criticism, even of the gentlest variety. Being a man of great solace and solicitude, I know there is pain and anxiety across the way. I remember when I sat across the way and the omens were pretty clear; it was not kind to predict what we all knew, in our hearts, was going to happen.

On a much more positive note I would like to say how moved I was to hear the many tributes from all parties in the House and from Mr. Speaker which were tendered to the Hon. John Angus MacLean, then member for Malpèque and, prior to that, member for Queens—one of the last two dual ridings in Canada. For 11 years Mr. MacLean and I jointly represented the people of Queens which contains the City of Charlottetown, the cradle of confederation. A man of honour, wisdom, and ability he was a great colleague and I treasure the opportunity given me to serve as his running mate. I salute him as a friend and political comrade of nearly 20 years standing.

[Mr. Macquarrie.]

The relatively long recess allowed me the happy opportunity of spending a good many consecutive weeks in my home province—than which there is none more beautiful. Prince Edward Island, like the Atlantic region generally, is particularly sensitive to the dominion government's actions and non-actions.

During the last session I cautioned the then Minister of Indian Affairs and Northern Development against the imposition of fees in the Prince Edward Island National Park. This past summer has shown a striking decrease in visitors to the park. It has also placed heavy pressure on areas adjoining the park. I need hardly say that this makes for a serious environmental problem and increases the strain on the resources of the province and of its government. I am interested in the full story of last summer. How will the cost of establishing toll gates compare with the revenue intake from a reduced number of visitors?

● (1710)

Other members have discussed the gravity of the transportation situation, especially, but not exclusively, as it affects Atlantic Canada. The user-pay policy is as iniquitous as it is against the spirit of Canadian federalism. As my colleague, Mr. MacLean, once said in Charlottetown, the people of P.E.I. have learned that "Otto Lang" is two four letter words!

The whole great nation-building exercise which began in Charlottetown in 1864 was designed to do many things. One of the first was to share the inequalities and to make an effort to redress the imbalances of the extremities of the new dominion, with special provisions written into the original document to compensate for the special needs of certain areas. Almost immediately after the dominion was formed, further special arrangements, subsidies and the like, were provided for. I do not accept the suggestion of certain ministers that you must have policies that are universally applied all across the country. We have had it otherwise since 1867.

Since I am talking about our country's early days and its founding fathers, I should like to make one more plea for a little historical accuracy in today's constitutional discussions and posturings. It has now become popular to use the word "patriation". I suspect that this was the inspiration of some of the brains trust in the Prime Minister's office; I cannot imagine it coming from anywhere else.

Purists might shrink from either word, but if we must use this expression it should be "repatriation". Despite its name, one quite appropriate for the time, the British North America Act is the product not of British but of Canadian statescraft. It was made in Canada by Canadian leaders for the governance of a new Canadian state. As John A. Macdonald said, most of the decisions were made in Charlottetown, a city which I have the honour to represent.

I see the Minister of Veterans Affairs is not here now, but I must say I agreed completely with what he said about the principles of bilingualism. However, I know he will be pleased to recall, as I was, the historic note that among the fathers of confederation French was not the tongue of the majority. Nor

was English. The mother tongue of the majority of these illustrious men was Gaelic, as it was of the ancestors of the Minister of Veterans Affairs and myself.

It is demeaning of the work of our founding fathers not to suggest that we are bringing home the constitution, where it was worked out by political men in political discussion in the finest exercise of political statecraft. So let it be "repatriation", if, Sir, you will pardon the reiteration.

Historically, governments have seen the need to make special arrangements for special needs and circumstances. The iron clad, rigid, universalist approach of ministers which has been revealed in recent years does not deal with a nation's basic need. It does not help hold the country together.

Apart from transportation, reference has been made by colleagues of mine to a very grave problem, the high electricity costs in Nova Scotia and New Brunswick. On the "late show" last week, to a tremendous audience, I gave specific details of this problem and I know that the appropriate minister—because he was present—will be working on the matter. However, I must renew my plea to deal urgently with an urgent problem.

The answer, of course, in the long run is development of the Fundy tides, but a measure of assistance should be extended by way of a temporary subsidy to deal with a temporary but grave situation. In Prince Edward Island I am proud that steps have been taken by enterprising people in the field of technology to produce wind powered energy, but because of the imposition of stiff taxes on component parts it is difficult for islanders or other Canadians to convert to this form of energy. At a time when one minister is suggesting to Canadian to watch the use of depleting but popular forms of energy and to move to something else, you will find that minister's colleagues, the Minister of Finance (Mr. Macdonald) and the Minister of National Revenue (Miss Bégin), making it difficult, through their interpretation of legislation and the legislation they present, for people to convert to this very obvious, useful and I think timely form of energy production. I ask for consistency in this regard as in others.

Since I know there are many great orators waiting to follow me and, since I usually do not take all the time that is allotted, may I finally make the plea, as I and my colleagues have done so many times, that on the matter of dealing with regional economic disparity let all members of the government be on the same course. There is no use in one minister who heads the Department of Regional Economic Expansion trying—and I believe most ministers have tried—to conquer this great problem in confederation, this grave disparity, inequity and inequality, if all his other colleagues in the government pay absolutely no attention to such a concept.

Recently my colleague, the hon. member for Egmont (Mr. MacDonald), the hon. member for Halifax (Mr. Stanfield), and the hon. member for Cumberland-Colchester North (Mr. Coates) dealt with this problem powerfully and well and I support every argument that they made. It is a sham, a mockery, to talk about fighting regional disparity, as the Minister of Veterans Affairs has done, unless the whole government is geared in that direction. It ill suffices to have one minister dealing with the matter within a limited range of initiative if his colleagues do not grasp this central truth, that this country is not prosperous if any of its segments or regions are not partaking of the general prosperity and development.

It is shocking in the Atlantic region and in certain other regions to see that the gulf, instead of narrowing, is widening. There are lots of reasons for conflict within confederation. They are not all over culture, language, and political labels. They are over the lack of fairness, the lack of the use of governmental machinery to distribute the wealth of the nation to all its people. That surely is what a dominion government is for. That surely is the challenge to those in power in a dominion government. That is what I ask, that is what I urge, and that is what I put forward as one of the great priorities, not for my region alone but for the whole country. There will then be in this land a degree of equity and regional equality, and our citizens will not suffer if they do not live in a province that has great mineral wealth or other attributes of great economic success. If this message and it alone can get through, something will have been accomplished in all these long years of pleading, arguing, and trying to give a helpful direction to a sometimes helpless government.

Mr. Lloyd Francis (Ottawa West): First, Mr. Speaker, may I join those who have congratulated the mover and seconder of the Address in Reply to the Speech from the Throne. I might say to the seconder that I too served in the House with his father. I had a very great affection and high regard for him, and I am sure that the son will do equally as well, if not better.

Some hon. Members: Hear, hear!

Mr. Francis: Along with those who have expressed their deep sorrow at the loss of Madame Morin, may I also express my sorrow. I do not believe there is a single member of the House who did not regard her with the very greatest affection.

Some hon. Members: Hear, hear!

Mr. Francis: On October 10, 1974, a little over two years ago, I participated in the previous debate on the Address in Reply to the Speech from the Throne. I have taken the trouble to look back at what I had to say then and it seems to me that these subjects were of interest. There was the problem of amending the law concerning the Public Service Staff Relations Act. The Finkelman report had been laid before us a few months previously, and subsequently a committee of this place and the other place laboured at some length and produced a report. I understand there was reference in the Speech from the Throne to having legislation placed before this House before very long. I welcome it, Mr. Speaker, but it is long overdue.

• (1720)

At that time I also mentioned problems of the National Capital Commission, as did other hon. members. A joint committee of the other place and this House is reviewing these matters. I note that the position of chairman of that particular

commission has been vacant for some four months. I hope the government will move promptly to name a replacement.

There was also in my speech an earnest plea for the creation of a ministry of the public service. In no respect have I changed my views. I hope that the government will see fit to reconsider and give some recognition to my suggestion.

I also spoke about bilingualism. At that time I was concerned about complaints I was receiving about public servants who had been moved from Ottawa to Hull and the application of Bill 22 to them. I no longer hear that kind of complaint; I hope this is a good sign. However, the policy of bilingualism in the public service of Canada is in need of drastic review. I welcome references on the subject in the Speech from the Throne and look forward to the presentation of measures in the period ahead.

The Commissioner of Official Languages has told us what a good thing it is to have our youth educated in schools in the two official languages, instead of spending much greater sums of money on an adult education program. Again, I welcome references to this topic in the Speech from the Throne. At the risk of being tedious I suggest that some of us brought forward such suggestions sometime previously. Our suggestions were not as welcome, at least not welcome in the way similar suggestions emanating from the language commissioner and others are welcome today.

I hope there will be a major expansion of grants for second language training in Canada. This of course will involve consultation with the provinces, because education is a provincial matter. The federal government will want to make sure that its funds are actually spent for the purpose.

This past summer a report was brought down concerning language teaching in the public service. The Bibeau Report on language training had some refreshing things to say, and I pay tribute to Professor Bibeau for an honest job. He said that too many positions have been designated as bilingual without regard to the actual need to use a second language. Many such positions should not have been designated as bilingual. This has been especially true in the national capital region. In particular, the requirement that every supervisor of two or more persons in the national capital should be bilingual was extreme and unnecessary and should be removed.

I am sure that hon. members on the other side of the House will contend that the application of bilingual policies in the public service was a factor in the recent by-election in the Ottawa-Carleton constituency.

An hon. Member: They hated the government.

Mr. Francis: Well, there is no doubt that the voters intended to convey a message, and there is no concealment of that fact. A victory of 11,000 votes two years ago was turned into a defeat by 16,000 votes in October, 1976. What were the voters saying? That is the question.

Let us put aside the campaign for a moment. I believe that a large number of faithful supporters of the party were turned off from the day of the nominating convention. I believe that the successful candidate at that convention was not adequately briefed about the implications of the language policy in the public service. He was not made aware of the deep distrust which many voters in this area feel, not only with regard to the application of the policy but with regard to the government's intentions concerning the policy.

In many ways the National Capital Commission region, 40 per cent of its population being Francophone, is a microcosm of Canada. National issues are often sensed here before they are sensed in other parts of Canada.

The credibility of the Liberal party is at stake. Just what does our party stand for in the application of bilingual policies? For that matter, what do the opposition parties stand for, because they have given us no indication in this debate or any other debate of what they would do if they were in power—and this applies to the NDP as well as to the official opposition.

An hon. Member: Better start reading, Lloyd.

Mr. Francis: Speaking to the Liberal party in Toronto recently, the Prime Minister (Mr. Trudeau) faced squarely the implications of what the Gallup poll has been saying about my party. We all know what the implications will be for our country if my party is reduced to one representing French Canada, with a handfull of seats outside French Canada, and if the Conservative party is to represent English-speaking Canada, with a small number of seats in French Canada. We know what the implications will be for our country, and we should all let that knowledge weigh on our consciences. The Prime Minister threw out a challenge to our rank and file. He said that if, recognizing the grave threat to national unity, we were to sit back and allow this to happen, Canada would be destroyed and we would feel guilty for the rest of our lives.

Speaking in this debate the President of the Treasury Board (Mr. Andras) said that there was a heavy responsibility on English-speaking ministers to explain the government's policies. Many have said that the solution is to hire better communicators. Mr. Speaker, it is not just a problem of communication; it is not just a problem of the rank and file, the "grassroots", to use an expression I do not like, doing its job. It is not just a question of English-speaking or French-speaking ministers doing their jobs. There is, I submit, an even deeper malaise in our party.

The President of the Treasury Board also said something about throne speech debates: they come from the heart, without restriction on subject matter.

[*Translation*]

I intend to speak about three speeches delivered by government backbenchers; I am referring to the members for Matane (Mr. De Bané), Maisonneuve-Rosemont (Mr. Joyal) and Ottawa-Vanier (Mr. Gauthier). First I would like to point out that within the Liberal party, there are two different standards. When a French-speaking government member criticizes the policy of the government—he is free to do so—nobody objects. But when an English-speaking member dares criticize

the bilingual policy, some people say: He is against bilingualism, he is against Quebecers and French-speaking people, he is even supposed to be narrow-minded. With this attitude, he will remain a backbencher for a long time. That is true, Mr. Speaker.

[*English*]

I now return to the speeches to which I referred. In many ways they are different; but in many ways they are appallingly alike. They all speak of ancient wrongs. Some of them go back centuries. They demand immediate measures to rectify ancient wrongs. Not one of the three referred to Bill 22, or to the efforts of people such as the former hon. member for Langelier, (Mr. Marchand), or to the hon. member for Verdun (Mr. Mackasey) to tell Mr. Bourassa that our efforts to sell bilingualism outside Quebec are seriously impaired by his repression of minority language rights within Quebec. I am told that at least two of these there have spoken on other occasions against Bill 22. Careful reading of their speeches leaves me under the impression that all three really accept the bill. They feel that Quebecers have somehow failed to communicate Bill 22's true meaning to English-speaking Canada. Perhaps they too should hire better communicators.

What truly frightens me is the use of statistics by both the hon. member for Matane and the hon. member for Maisonneuve-Rosemont. By picking and choosing this department and that department they draw highly inflammatory conclusions. They both refer to the percentages of Francophones in senior management posts in the public service, and infer that no progress has been made in advancing the careers of Francophones. They nowhere refer to the fact that while the percentage of Francophones across Canada is 27 per cent, the percentage of Francophones in the entire public service is over 27 per cent. They nowhere refer to the fact that of 1,122 university graduates hired in 1975—out of whose ranks future managers are likely to be recruited—no fewer than 333 were Francophones, or nearly 30 per cent. There is no mention of the distinct progress made in the over-all levels of management within the last three years—something like 18.5 per cent, according to Public Service Commission statistics, for Francophones in management categories. That figure has gone up to 20.6 per cent.

Distinct progress is being made. But, if one were to read their speeches one would gather there has been an absolutely dismal denial of opportunity to Francophones in the public service. When they pick out this department and that department they do not mention the Secretary of State's Department, for example, the House of Commons staff, or the mint, all of which have high percentages of Francophones at all levels. Indeed, when some activities of the Mint were moved to Winnipeg, the Minister of Supply and Services (Mr. Goyer) insisted on a quota of at least one third Francophones for all posts.

● (1730)

When, however, 400 positions in the same Department of Supply and Services were moved to Matane we could well ask what guarantees if any were provided for Anglophones? The hon. member for Matane cited statistics presumably from the Bibeau Report to the effect that Francophones are not permitted to work in French. A very important part of the answer to that problem is the creation of units working in French.

[*Translation*]

The government clearly intends to set up units to encourage French-speaking civil servants to work in their mother tongue. However, if the government intends to pay bonuses for bilingualism, we must consider the results. For example, will those working in French-speaking units receive bonuses for bilingualism? Evidently not.

[*English*]

Let us just think of what the effect of a policy of bilingual bonuses is. Are we going to pay the people who take their training at government expense for that very modest achievement in bilingualism to which Mr. Bibeau referred? Are we going to say that everybody in a designated position will get a bonus for speaking two languages when it has been very clear that a large number of the designated positions do not use two languages? How can the hon. member for Matane and the hon. member for Maisonneuve-Rosemont suggest that the government immediately take measures for bilingual bonuses and then complain that the government does not undertake policies to encourage the greater use of French? French language units are the means by which there is a direct encouragement of French language work in the public service, and one policy works against the other.

In fairness to the hon. member for Matane he implies that he does not really believe in the policy of national bilingualism. He refers to a two-nation solution. On page 351 of *Hansard* of October 21 he is quoted as follows:

> That is one of the reasons why I think the concept of a bilingual Canada is a faulty political solution to the cultural problems that must be posed in different terms. An analysis of the destiny of French Canada and English Canada in North America and their quest for identity finally always boils down to two national communities with close historical links pursuing their future in an independent way.

I would like to know how many members on this side of the House agree with these views. I, for one, do not.

The hon. member for Maisonneuve-Rosemont was responding to statements made by the former minister of national defence giving his views on entrenching language rights in the constitution. The member's emotional response in the light of the dreadful historical background of Manitoba is understandable. He and others, however, come dangerously close to a doctrine that the rest of us are guilty of heinous crimes by reason of our ancestry. There is no conceivable way by which I, or any other living Canadian, can atone for the sins of the Peace of Paris, General Murray, Lord Durham, or the government of Manitoba in 1890.

What I am prepared to do, and what others are, I am sure, prepared to do, is look at today's situation in a fresh light and to try to do what is fair and just, with full respect for human rights and cultural values. The argument of "cent ans d'injustice" simply proves too much. It can be, and has been conjured

up to say, that because of the terrible wrongs of the past, other wrongs are justified today. Can't we rise above this level and just once try to forget the past?

I want to say that I am not impressed by the argument of the former minister of national defence, and I have read his statement very carefully. I for one am quite prepared to discuss and consider entrenchment of language rights in the constitution, but on a basis of full equality for the English language minority in Quebec as well as for the French language minority outside Quebec.

My colleague from Ottawa-Vanier refers to the million French-speaking Canadians living outside Quebec. He argues that they are in constant danger of assimilation, that their pre-eminent status in relation to other minorities has not been sufficiently recognized, and demands special programs on their behalf. Indeed, he goes much further. At page 286 of *Hansard* of October 20 he is quoted as saying:

> And so it is that the French-speaking minority in Canada, whether implicitly or explicitly, demands a special kind of protection, greater than that of official equality, in order to defend itself against the risk of anglicization . . .

What are the limits of "a special kind of protection, greater than that of official equality"? It seems to me that demands on this basis are capable of being escalated indefinitely. It is this aspect of vague, escalating and never-ending demands that has irritated many Canadians, particularly those whose origins are neither English nor French.

In the city of Ottawa and in this region we have made very substantial gains in protecting the rights of the French minority. I welcome in my own constituency the Ecole Champlain. I welcome a French language secondary school and regret that it was not established many years before. We have made progress; we have done things. A speech which does not give due recognition to the fact that there is some good will and good faith on behalf of a majority in the community is a disservice to those on whose behalf the hon. member presumes to speak.

I am coming to the end of my speech, but I wish to make one further point. The Royal Commission on Bilingualism and Biculturalism, the so-called Laurendeau-Dunton Commission, grappled at length with these problems. At the time I did not appreciate the contribution which they made, but I hereby wish to pay my tribute to them. The solution was that Canada should be a bilingual and multicultural nation. To me, Mr. Speaker, it makes a lot of sense.

Each of the three speakers to whom I referred made numerous references to Canada's "bicultural" character. I really wonder if any one of them has accepted multiculturalism, despite some references to it. Their references on careful reading are not sympathetic to multiculturalism. This is a great pity. The new Canadian communities are not likely to be attracted to the French language if they are not made welcome, and the record of Bill 22 in denying them the basic human right to choose one official language of Canada for their children is deplorable.

I for one would have liked the Prime Minister to have named a special minister of the cabinet with an exclusive responsibility for multiculturalism. In saying this I mean no disrespect for the Minister of Labour (Mr. Munro) who is a very much overworked man with a large range of duties.

I am concerned that there is an obligation on our party to define just what we mean by our bilingualism policy. There is an equal obligation on parties on the other side of the House.

I think certain questions must be answered. Do the speeches coming from a number of Liberal backbenchers actually represent policy of the government of the day? I do not think they do. But the Secretary of State (Mr. Roberts), speaking in this House, cited two of the speeches with approval. He did not in any way criticize them although he certainly gave a pretty sharp blast to the former minister of national defence.

In the present atmosphere the tone of the speeches has contributed to a serious deterioration in relationships between English language and French language communities. The doctrine of guilt by ancestry is a terribly dangerous one to espouse.

The suggestion that the Francophone minorities want something more than official equality is, I submit, something which will take a lot of explaining and a lot of professional communicators to have accepted in this country.

The doctrine of bilingual bonuses in the public service will create a great deal of difficulty in the light of the excessive designation of bilingual positions. There is the need to encourage units working in French and the fact that so many people learn their second language at government expense. It will be difficult to persuade others who did not learn a second language at government expense that those who went to expensive language training schools should also be paid extra bonuses for having succeeded in their modest degree of bilingualism in the courses.

I think the hon. members of this House are entitled to ask the Secretary of State, the Prime Minister and those who speak for the government, when the hon. member for Maisonneuve-Rosemont said as recorded at page 132 of *Hansard* on October 20 this year that the resolutions on official bilingualism should be amended so that only persons who are bilingual at the time of appointment can succeed to designated positions in the public service, whether or not this is government policy. I think there is an obligation on the Secretary of State to make this clear. The Secretary of State presumably read this speech to see whether or not this is government policy. If hon. members want to know why there is concern, confusion, and discontent in the public service, they only have to look at this kind of speech.

• (1740)

There are many reasons why the voters in the by-elections on October 18 expressed their displeasure. In part it was a general frustration after 13 years of government by one party, in part the concern about decentralization, about the immense complications of collective bargaining. But I think fundamental to the issue in the Ottawa area is a grave concern about where we are going and what we are doing in the field of language policy. We are entitled to more than platitudes. I

hope that in the period ahead government spokesmen will issue clarifications of the government's position which will assist all of us in defending a policy which I believe is essential.

I believe in bilingualism in the public service across Canada. I believe in the rights of Francophone minorities across Canada and of Anglophone minorities in Quebec. I believe in the measures that have to be taken under the constitution for the protection and achievement of these goals, but I believe we have heard in this debate in the House a number of extreme positions that have done nothing to set the record straight.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in taking this opportunity to reply to the Speech from the Throne I should like to commend the mover and the seconder of the Address in Reply, the hon. member for Restigouche (Mr. Harquail) and the hon. member for Lafontaine-Rosemont (Mr. Lachance). I would also like to say how pleased I was to hear the Governor General read part of the Speech from the Throne. I commend him on his recovery and I wish to pay a special tribute to Her Excellency, Madam Léger, for the excellent job that she did and for the clear and articulate way in which she read the major portion of the Speech from the Throne.

I should like to point out as an aside, Mr. Speaker, that for us commoners who, of course, are only allowed to stand at the bar in the other place and hear the Speech from the Throne—and some of us are reasonably interested in the contents—it was very difficult to hear it, apart from Mr. Speaker himself and some of the staff, because of the constant noise that was going on. I hope that in the future when the Speech from the Throne is read those hon. members who wish to visit back and forth will refrain from doing so and will stay in their own rooms, or in the Chamber here, so that all this noise can be avoided. To my mind this is a discourtesy to the Governor General and, in this case, to Madam Léger.

It becomes more difficult with every throne speech that this government delivers for those of us in the opposition to respond. It is virtually impossible to respond in specific terms to a throne speech that is simply a mishmash of generalities and theories. I suppose that there is some purpose in this kind of approach to legislation, however. If and when any bills flow directly from the throne speech, no one will be able to tell whether or not they represent the views expressed in the speech. I do not imagine it makes any difference though, because the Prime Minister (Mr. Trudeau) has been trying for a very long time to walk down both sides of the street at the same time.

That would be a difficult thing to do, even in the best of times, but it must be especially trying at a time when the Prime Minister is looking over his shoulder to see which of his cabinet ministers is packing his bags. It seems to me that someone could set up a lucrative business ghost-writing letters of resignation for Liberal cabinet ministers. And, since it would not require any more training, that same person could even draw up some new Liberal economic policies. Just as in the case of the resignation letters, the dates could be typed in later.

I could learn to live with these zero content throne speeches and budgets—and in fact we have had to learn to live with them because that is all we have been getting over the past eight years—but I become pretty concerned when I hear the Prime Minister propose two conflicting solutions to a serious problem, usually within the space of a day, or an hour in some cases.

His answers to questions about the future of the anti-inflation program are a good case in point. On the one hand the Prime Minister butters up labour, management, and all the rest of us by saying that economic controls could very well be lifted well in advance of the target date of December of next year. Then, almost in the same breath, he says that we might have to get used to the idea of controls well beyond the cut-off date. The Prime Minister says that controls could become a fact of life into the distant future, and in fact he has stated that some form of control over our economy could become a permanent aspect of our society.

While the Prime Minister might think that that is the easy way out of a tight corner, to try to confuse us by showing both sides of the coin at the same time is simply ludicrous, Mr. Speaker. All you have to do to get the Prime Minister talking out of both sides of his mouth is to ask what we can expect in the way of post-control economic policy. What comes out is a real side-show, with the Prime Minister in the role of Edgar Bergen, and the Finance Minister (Mr. Macdonald) in the role of Charlie McCarthy. When I buy tickets to a side-show, I do so in the full knowledge that I am going to be entertained. But when I ask a serious question about a very serious matter affecting our country, I do not want to be entertained; I want to be informed. I want a straight answer. Anybody can answer a question by saying that it will either be this or it will be that.

When I think of the Prime Minister's dexterity in answering questions I am reminded of a story circulating at the present time about U.S. presidential candidate Jimmy Carter. Apparently Carter has acquired some of the Prime Minister's expertise in fielding questions. Carter likes to compare himself to past figures in U.S. history who have acquired fame. It seems that when Carter was a little boy his father came into the House one day and said, "Somebody has been snipping off the tops of the peanut plants, and I have to ask you—did you do it?" Carter replied, "I cannot tell a lie, father; maybe I did, and maybe I didn't".

Another example of the Prime Minister's tightrope act concerns the controversial bilingualism program, a program that was supposedly designed to unify the country but has instead become the most divisive policy ever inflicted on our country by any government in our history. The Prime Minister has been saying lately that the government is planning measures to modify or soften the impact of the bilingualism program. And yet, only two days after the throne speech, one of the most respected members of the cabinet resigned because the Prime Minister is committed to an entirely different approach to bilingualism.

The Prime Minister is committed to the formula whereby French is to be enshrined in the constitution on an equal if not

superior footing with English, with Quebec having a veto over any future proposed amendments to the constitution affecting language or cultural rights. This would give Quebec effective control over the constitution in perpetuity, tying the hands of all elected governments into the future. We now know beyond a shadow of a doubt why the Prime Minister is so anxious to patriate our constitution that he would consider acting unilaterally to get it over here and under his control. I am deeply concerned about what he could do with the constitution, considering that he has a passive and acquiescent majority in this House.

I fear for the future of our country, Mr. Speaker. I have to say that the government's misrepresentation of the true purpose of the bilingualism program has been underscored by the resignation of the minister of national defence and by the statement that the minister gave to the press outlining his reasons for leaving the cabinet. The minister pointed out, among other things, that the government's bilingualism program has been a failure, and that it would be a serious mistake to entrench French language rights in the constitution and give Quebec a one province veto over future amendments to our constitution. My own view is that, as much as I would like to see the British North America Act here in Canada, I would rather leave it in Britain for a while longer than risk the dangers inherent in having it brought to Canada only to serve as the personal political instrument of the present Prime Minister and the premier of Quebec.

There is another example of double-talk in the throne speech, Mr. Speaker, that I would like to comment on. This is not the only example of double-talk in the speech; in fact this document is filled with them. I refer to the statement on immigration policy, to wit:

● (1750)

> You will be asked to consider amendments to the Immigration Act, designed to promote Canada's regional and urban development goals, promote family unity, achieve a balance between immigration levels and employment opportunities, and preserve Canada's reputation as an open, tolerant society which welcomes the energy and diversity of people from all parts of the world.

That is a very high sounding and impressive phrase, but I would call it mere puffery. There is no explanation in the speech as to what this particular phrase means, any more than there are explanations elsewhere in the speech for other such phrases. All we can assume from this is that a silly statement uttered some time ago by the former minister of manpower and immigration did indeed represent government policy.

The minister suggested that we might have to consider ways to compel immigrants to settle in rural and even remote areas of the country as a condition of being allowed to come to Canada. We are told that this would greatly reduce the flow of immigrants to our cities, help populate rural areas and even the less desirable areas of the northern regions. How the government could possibly connect this policy with the high-flown phrase "open and tolerant society" we will probably never know. Telling people where they can or cannot live is certainly not my idea of tolerance or openness. It brings to my mind the countries of eastern Europe, and it would be a very serious mistake to allow this government or any other Canadian government to have the power to decide where our people can or cannot live.

If that is to be a part of the future immigration policy of Canada, perhaps it is time for us to ask ourselves some serious questions about where we are going. If we give our government the power to force immigrants to live in certain specified towns, areas or regions, that same power can be brought to bear on Canadians already living in the country. If anybody doubts this, I ask him to consider the stupid and tragic situation in Montreal and other parts of Quebec with regard to the issue of education. The new law regarding what language the children of immigrant families in Quebec can be educated in reflects the thinking of the Communist countries of Europe, and I doubt very seriously that any of the thousands of Italian immigrants in Montreal write to their friends and relatives about the open and tolerant situation in Quebec.

That reference to family unity in the statement on immigration policy has me puzzled, but I suppose it was just thrown in to give the statement a nice homey touch.

Speaking of homey touches, let us consider the way the government tried to squirm out of the commitment it made to the provinces back in 1969 to share the cost of provincial medicare programs. I do not have to remind hon. members about what a shock it was when the Prime Minister caused a bill to be introduced in this House earlier this year which would allow the federal government to dishonour that commitment. In the federal-provincial first ministers' conference held in Ottawa in the first week of June of this year the Prime Minister said that this was the dawn of a new era in federal-provincial fiscal co-operation. What a farce! It was the dawn of a new era of federal government cop-outs.

In the throne speech we are told that extensive discussions between the federal government and the provinces have resulted in a new framework for the sharing of costs and for making social service programs more responsive. The plain fact is that the provinces have been left holding the bag, and the federal government is concentrating in areas in which it can extend federal control over programs which rightfully belong under provincial jurisdiction.

The public treasury is thus being used to extend federal control without at the same time resulting in an improvement in the level of services. I believe that the government plans to bludgeon the provinces into accepting a universal, federally controlled and financed medicare scheme, and possibly a universal hospitalization plan, and I have no doubt that that is the real significance of the small paragraph in the throne speech dealing with this matter.

There is a veiled reference to the intention of the government to seek extension of the Canada Pension Plan to involve housewives, but no clear commitment. I hope we will soon hear of some concrete steps being taken in this direction. I am a firm believer in the need for and the justice of extending old age security benefits to widows and spinsters from age 60, with a means test, and for including housewives in the Canada Pension Plan. In too many cases these people are forced to

turn to welfare programs to see them through those difficult years until they qualify for the old age pension. This is downgrading, and it is poor economics.

By simply extending the universality of the old age pension plan, we would remove a load from the shoulders of municipal agencies whose primary function is to serve the short term needs of the disadvantaged. That function does not at the present time fall within the sphere of operations of other agencies.

Hon. members will note that I specifically mentioned spinsters and widows and not male persons. I did so because I feel that the Minister of National Health and Welfare (Mr. Lalonde) might be willing to go one step further, and I am quite sure that if legislation to this effect were brought in, it would certainly be welcomed by the great majority of Canadians.

As a small businessman of some years standing I have a particular interest in this type of economic activity. I do not require the services or the assistance of a government agency at this point as far as my own business is concerned because, when I last checked, it was being operated reasonably well. Some people tell me that it is being operated even better than when I operated it. It is operated by my two sons, and it is quite a prosperous business. However, there are thousands of small businesses in Canada today which could do with some assistance by way of low or fixed interest loans, preferably from a government agency or a government sponsored private lending institution.

As other hon. members have said about this particular subject, small businesses in Canada are our largest single employer, and if we are going to be really serious about tackling the unemployment problem in a meaningful way then we have to tie our efforts in with Manpower. I am one of those who at times has taken great exception to the unemployment insurance rip-offs in the past, and I still keep a sharp eye on the unemployment figures and also UIC payouts. However, I firmly believe that the average Canadian would rather work than collect UIC benefits, and since it is the government which must find jobs for these people I suggest we start looking in the right direction, and the sooner the better.

We can start by easing the pressure on those who are already employing people. We are burdening small and medium size businesses with excessive paper work and regulations. The additional paper work inflicted on businesses by the Anti-Inflation Board has been the straw which broke the camel's back in many cases. That is not only poor economy; it is also stupidity. Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Turner): It being six o'clock, I do now leave the chair until 8 p.m. this day.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Darling: Mr. Speaker, prior to six o'clock I was pleading the case for the small businessmen across Canada and pointing out how necessary it is that we give serious consideration to providing every kind of help, financial and in other ways, to this very important part of our economy.

In the United States assistance to small businessmen is much superior to what we offer in Canada. The essence of the Canadian economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression of growth and personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encouraged and developed. It is the declared policy of this party that the government should aid, counsel, and protect in so far as is possible, the interests of small business concerns in order to preserve free and competitive enterprise.

We should have an act in many ways following the American small business act which is utilized to assist in the establishment, preservation, and strengthening of small business concerns. This would improve the managerial skills employed in such enterprises, with special attention given to small business concerns located in all rural areas where there are high numbers of unemployed or people on low incomes, or to concerns which are owned by low income individuals. Private as well as public managerial skills and resources should be mobilized in order to reach these objectives.

In Canada at the present time we have the Department of Regional Economic Expansion, the federal Business Development Bank, and the General Assistance Adjustment Board under the Department of Industry, Trade and Commerce. One plan which supplies working capital for small business is the general assistance plan which advances loans. This is restricted to manufacturers who have been threatened by foreign imports, however.

I feel we should aid small businessmen not only to get money for equipment so that they can expand but to obtain working capital. They should be allowed an opportunity to get off the ground, that is, they should not have to pay back the principle or interest for the first couple of years so that they may generate some cash flow.

The interest charged the businessman should be 1 per cent over prime for the bank and 1 per cent for the agency which guarantees the loan. At the present time the maximum loan is $25,000. This is a joke, Mr. Speaker. In the United States the maximum is $100,000. With the way costs are today it might be feasible to go higher than this, and in certain cases as high as $300,000. In the Small Businesses Loans Act, 1970 revised statutes, chapter 10 sets the limits on the total assets of a borrower at about $50,000, which is ridiculous.

The relevant act in the United States provides much needed and excellent services for the borrower such as managerial training and feasibility studies. Feasibility and market studies enable a businessman to know where he can sell his product

and also whether it is a viable enterprise. He is also given information which will probably enable him to avoid possible pitfalls and errors of which he may not be aware. The United States government has provided a fund of $6 billion for this project for the small businessman.

Our chartered banks should be induced to provide more risk capital for small businesses, say up to $500,000. Banks should be willing to accept security on a much lower basis, say one to three, rather than as in some cases at present, two to one in their favour. Expansion of our Canadian banking system will not improve until banks are influenced to make the types of loans which are available in the United States.

I have had many letters, Mr. Speaker, as I am sure have many of my colleagues, from frustrated businessmen who want to know how they can qualify for the so-called small business loan at a preferred rate of interest. I have a file here and I could read off the names of businessmen who want to expand and are unable to do so. I have figures provided by the Minister of Finance which show that his department has made loans under the Small Businesses Loans Act to the end of June this year of $5 million. That may seem like a great deal of money, Mr. Speaker, but it probably means no more than 200 or 250 loans. Spread across Canada, that is not very much.

● (2010)

In the past couple of weeks I have had requests from businessmen who want to expand their operations. They qualify for loans, having the proper assets and so on. They were not able to get these loans at the preferred rate. The reason they were given was that their credit rating was too good. The bank stated that these loans were for those whose credit was not as good. I am sure the bank would not even recommend a loan to a businessman or prospective businessman if there was not a possibility of it being repaid.

These people were finally able to negotiate with the banks in their home towns, but at a higher rate. I believe the so-called small business loan interest rate is 10½ per cent. One man was able to negotiate a loan at 11½ per cent, and another at 12 per cent.

I wrote to the Minister of Finance last week as well as to the Minister of State (Small Business) (Mr. Marchand) asking what the new plan will be and whether the government is going to do more than pay lip service with regard to providing money to small businessmen at the preferred rate.

The other night I saw a television report on the new minister responsible for small business visiting in Russia. I presume he will be contacting many small independent capital businessmen there to find out how they proceed. However, if he wants to talk to the most progressive of those, he will have to go to Siberia.

Mr. O'Connell: Mr. Speaker, I wonder whether the hon. member would permit a question.

Mr. Deputy Speaker: Order, please. The hon. member for Scarborough East (Mr. O'Connell) wishes to ask the hon. member who has the floor a question. This can only be done with consent.

[Mr. Darling.]

Mr. Darling: When I am finished, Mr. Speaker.

More than 50 per cent of the salary and wage earners in Canada are employed by small businesses. If all small businesses in Canada closed their doors at the same time, the economy would come to a standstill. Large corporations and their workers are protected from the vagaries of market conditions, bureaucratic harassment, cash supply, and other matters. The unionized workers are protected by their unions, and by our labour laws. The large corporations have batteries of lawyers to run interference for them, but not so the small businessman and his workers.

Big business has assets and productive capacity to use as collateral for loans. Small businesses very often have to borrow on faith, and there is never enough of this faith to go around. In the United States they have the small business administration to make loans to small businesses, and also to advise and train people in small business or who want to start up a small business. We need something like that in Canada. There is too much disparity between lending institutions, and between regions, with respect to the availability of small businesses to obtain loans for operating expenses, and to finance expansion.

Without a set government program of loan assistance or guarantee, lending institutions in Canada would rather lend large sums of capital to large corporations, against secure collateral, than to lend small sums to small businesses which often cannot offer blue ribbon collateral. In my view we must recognize that there is another kind of blue ribbon collateral; the initiative, resourcefulness, and determination of the small business entrepreneur in Canada. If we support the people who are presently providing the largest percentage of jobs in our country today, then they will be able to create still more jobs. This would be better than trying to solve the problem by paying out still more unemployment insurance, grants, welfare, and all the other government stop gap measures.

A large percentage of the chronically unemployed in Canada do not have the specialized skills and talents required by most of the large corporations. Small businesses do not require these specialized skills and rare technical talents for the most part. The only place where these unskilled unemployed can be absorbed is in small business, and that can only happen if the small business community is healthy and can grow.

Our leader spoke last Thursday in Winnipeg to a gathering of approximately 1,200 people, outlining some of the things this party will do after he is elected Prime Minister in 1978. He stated, and I quote:

> —I place considerable emphasis on the role of small and medium-sized entrepreneurs. We all know the Liberal and socialist bias toward bigness and bureaucracy. I do not share that bias.
>
> It is worth noting, too, that economies such as the United States, Japan and West Germany—all of which have achieved productivity performances as good or better than our own in recent years—all have a larger small business component within their economy than we have.

Each of these countries have governments with a genuine commitment to the small business sector and who support that commitment with concrete and positive policies . . . Tax policies that encourage—not discourage—the development of small family or employee-owned businesses and which permit such businesses to be passed along to new generations without prohibitive tax penalties . . .

On the available evidence at least, there is no indication that the Trudeau government has given even serious study to these successful policies of other countries. Its preference here—as in so many other areas—is for the quick and the cosmetic . . . name a Minister of State and hope that no one watches long enough to see whether he actually does anything.

I think my time is up, Mr. Speaker.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, it is indeed an honour to join those who have spoken before me in this debate to express my congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne. I also wish to pay my respects to the memory of the hon. member for Louis-Hebert, an Assistant Deputy Speaker, for her very fine and courageous contribution to this House. It will be remembered for many years to come.

This debate has almost come to an end. I listened closely to the remarks of the hon. member for Parry Sound-Muskoka (Mr. Darling). I commend him for his attention to and thorough work on the policies relating to small business. I wish he would have done the same with regard to the whole question of national unity and bilingualism. If he had, he would not have made the remarks he did before the dinner recess.

As I understood the hon. member this afternoon, he expressed the hope that the constitution would not be patriated to Canada if the language rights of English speaking Canadians would not be protected, as indicated in a newspaper article published last week in Montreal. He insinuated that it would be the intention of the Prime Minister (Mr. Trudeau) to patriate a constitution that could endanger these language rights. That was a very unfortunate statement by the hon. member for Parry Sound-Muskoka. He would not have made that remark if he had read the letter which the Acting Prime Minister (Mr. MacEachen) sent to the editor of the *Gazette* that same day in which he stated, in essence, that it was erroneous to suggest that under Article 137 of the BNA Act English language rights could be abolished by a single act of the National Assembly of Quebec once the proclamation had been effected, and that Article 30 of the draft proclamation was most explicit concerning language rights. The letter went on to say, and I quote:

● (2020)

Article 30 of the draft proclamation is most explicit concerning language rights currently existing in the BNA Act:

"English and French are the official languages of Canada, but no provision in this Part shall derogate from any right, privilege or obligation existing under any other provision of the Constitution".

I shall quote one further paragraph from the letter:

"The provisions of the draft proclamation respecting English and French language rights were designed to supplement existing constitutional rights at the federal level and not to replace, abrogate or lessen existing rights in the British North America Act at the time of patriation."

How can a credible opposition claim on a Sunday, as the Leader of the Opposition (Mr. Clark) has done in the course of a CTV interview, that the country should calm down over the bilingualism issue, when on Monday a member of his own party makes an irresponsible statement of the kind to which I have referred? How can people have confidence in an opposition which behaves in such a way? This is a real sham but, as I say, I am sure the hon. member for Parry Sound-Muskoka would not have made the statement he made earlier if he had read, or had an opportunity to read, this letter from the Acting Prime Minister. I would hope that when he returns to his riding, when he goes back to Ontario—

An hon. Member: He is in Ontario now.

Mr. Caccia: —when he talks to people in his part of the province he will urge the government of Ontario to adopt bilingualism as New Brunswick has done, that he will become a proponent of a policy designed to secure national unity, to demonstrate that French Quebec made a mistake in moving toward unilingualism with Bill 22. That is the attitude I hope the hon. member will adopt for the sake of the nation.

Mr. Darling: On a point of order, Mr. Speaker, in reply to the hon. member—

Mr. Guay (St. Boniface): You cannot reply. You have had your say.

Some hon. Members: Nonsense!

Mr. Darling: The hon. member is taking me to task. I would point out to him that I am not against bilingualism. I have never stated that I am. For the benefit of the hon. member for Davenport Mr. Caccia let me say I have taken French lessons—

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: This is debate rather than a point of order; at the same time the interruption did give an opportunity to the hon. member to make his position clear.

Mr. Caccia: It is good to hear that the hon. member for Parry Sound-Muskoka is in favour of bilingualism. He could demonstrate this attitude in practice by refraining from insinuating that the Prime Minister wants to patriate the constitution with the thought in mind of reducing the language rights of the Anglophone community across Canada. I wish the hon. member well with his immersion courses.

An hon. Member: That is more than you have going for you.

Mr. Guay (St. Boniface): No, he can speak French fluently—Italian, French and English.

Mr. Caccia: The Speech from the Throne is rich with exciting goals. It speaks of national unity, the subject which has been engaging much of our attention today. It deals with employment. It deals with labour management relations. It deals with collective bargaining information centres. It brings

up the question of industrial safety and the establishment of health centres. It deals with the question of testing new methods of improving working conditions. It has to do with promoting competition in the market place, with placing emphasis on research and development in connection with renewable energy sources, and with means of improving the efficiency of energy use at home and at work. It speaks of a new social services act to help the aged, the children and the handicapped. It has thoughts on promoting partially subsidized day-care through a system of fees relating to income. It envisages improvements to the Canada Pension Plan, including the indexing of family allowances. It speaks of setting a goal of one million new homes over the next four years.

Other topics in the Speech include the amplification of Canada's role in the world in connection with shaping a new international economic order, for example, changes in the Law of the Sea, environmental protection, human settlements, food production, population growth, the control of nuclear armaments, and economic development. These are the issues of our time, Mr. Speaker, and these issues are dealt with in the rather fine document we are considering, perhaps one of the best ever produced by a Liberal government within our memory.

Mr. Epp: That is quite likely.

Mr. Caccia: I wish the opposition would deal with some of these issues and put forward alternative approaches which might be taken with respect to them.

I shall devote the limited time remaining to me to only one or two of these topics. I shall deal, first, with the subject of renewable sources of energy because it seems to me that this is a matter of particular interest to Canadians today. At present, far too heavy an emphasis is being laid on research and development on the nuclear side, as well as on the development of non-renewable sources of energy as we have known them so far.

Far too little of the total budget—I believe less than 1.5 per cent—is devoted in the field of energy to renewable resources such as solar, wind and tidal power. The present approach of cutting up the research and development pie has to be changed. I was most impressed to learn last May that the U.S. Senate had appropriated an amount of well over $300 million to be expended on renewable resource research and development. This is not ten times—which is usually the ratio between performances south of the border and our own—what we allocate to this kind of research and development, but is well over 100 times what we spend, if the reports in the newspapers are correct.

It seems to me, Mr. Speaker, that our present approach to research and development is too timid and too one-sided. We are endeavouring to discover how we can economically store energy in one medium alone—in water. Out of all the projects I have seen or heard about throughout the country, nine out of ten of our demonstration projects try to find out whether and at what costs we can store solar energy in water. Surely there are other alternatives which need to be tested and demonstrated. This is one of the suggestions I should like to put forward in relation to the trend of our present research.

There is another aspect in the field of renewable sources of energy which is very significant to our over-all energy conservation policy, that is, whenever it is planned to introduce systems of heating by means of power from the wind, the sun, or other such sources, we become very conscious of the need for conservation principles—anything which will reduce heat losses in the structure to be built. The two processes, solar heating and conservation, are closely related.

• (2030)

In regard to energy conservation and thrift in the consumption of today's energy resources, I find it rather unfortunate that there has been a lack of support on the part of hydro companies in Canada for the concept. Ottawa has been urging Canadians and other levels of government to reduce their consumption of energy. This has been done in a variety of ways and I hope that we have given a good example. Nevertheless it is rather discouraging to find hydro utilities today, from Yellowknife to Halifax and Vancouver, charging rates per kilowatt hour which, instead of rewarding thrift and saving of energy on the part of the consumer, result in the consumer paying a lower per kilowatt hour if he consumes larger quantities of energy rather than smaller quantities. In other words, there is no incentive toward lesser consumption on the part of the consumer. There is a flat rate up to a certain ceiling, which varies from area to area, and then above that ceiling, as consumption increases, the rate declines. If hon. members are interested in a detailed breakdown of rates in major centres I have this background information available.

I suggest that uniform electricity rates, something we do not have now in any given area, would reward the careful consumer and provide an incentive to save which is much greater and more significant in the eyes of the average consumer than the sort of rather costly advertisements that are sometimes published in newspapers by public utilities like Ontario Hydro. On October 18 they placed an advertisement in the *Globe and Mail* which attracted my attention and has prompted these remarks on my part.

Returning to solar energy, Mr. Speaker, I should like to make the following observation. We need to develop a technology in the field of solar energy that is suited to the Canadian climate. In this way we will create new jobs and a new industry, not only for Canada but eventually for developing countries that are suffering serious trade deficits because they have to import oil. This would benefit their technology and allow them to capture the energy stored in the sun, energy that is available free of charge, which is non-polluting and renewable. In this way they would be able to reduce their dependence on imported oil and thus achieve more readily a healthier economy than they have at the present time.

I am told that in the United States large companies like Corning, Phillips, Owen-Illinois, to mention just a few, are planning to open up markets worth millions of dollars, creating new jobs and developing a new industry in this field, in the

hope that they may capture one day not only their own market but foreign markets as well.

It is true that in the U.S. climatic conditions are more advantageous than ours, but there is really no excuse, particularly on our prairies where there is an extensive number of hours of radiation through the year, for us not to develop technology in this field. In this regard I was very impressed to observe on the roof of the legislature in Winnipeg last month a set-up made possible by the co-operation between the federal and provincial governments, whereby solar collectors manufactured by companies in different parts of the world will be tested during the next 12 months or so, and the results of these tests, which are designed to determine the quality of this equipment, be made available to the public.

I also suggest that we need tax credits. Canadians who change their heating systems in their homes, not only by improving insulation—on which we have already removed sales tax—but by making use of wind power and solar energy, should be rewarded. This would apply to those who renovate existing homes or build new homes. Use of these energy sources is, in the end, to the benefit of everyone.

We need a special program by the Department of Industry, Trade and Commerce to encourage manufacturers in Canada to enter this field and compete in developing an industry, rather than our becoming importers of products developed by other countries such as Holland, which I understand is very much interested in this field, and by the United States.

Responsibility for solar energy is presently dispersed among three different departments, the Department of Energy, Mines and Resources, the Ministry of Science and Technology and the National Research Council. We need to bring these responsibilities under one minister. I am glad to see the Minister of Science and Technology (Mr. Faulkner) turn round and look in my direction as if to indicate that this makes some sense, in theory at least, to him.

I should like to close this subject by referring to the Ark which was inaugurated a few weeks ago by the Prime Minister in Prince Edward Island. This is an experiment in the utilization of solar energy and it carries the following inscription:

> The Ark—an early exploration in weaving together the sun, winds, biology and architecture on behalf of humanity.

I think it appropriate to put that quotation on record because it contains a statement of policy and also poetry. It seems to me that in solar energy we can bring together once again hope, policies, and poetry for the good of mankind. We have arrived at the point in our development where we do have the technology to harness solar power which is available to us daily, as we are all aware.

In the remaining time I should like to move on to another subject, namely, the statement on employment policies contained in the Speech from the Throne. I should like to refer to the very fine intervention made by the minister the other day. I should like to congratulate him on the speech he made because quite clearly it is a first step in the right direction. It shows the intention of the government to begin utilizing better our economic resources, namely, funds available through unemployment insurance, plus those available through general taxation, in an innovative manner. First, we would need to base our actions on the experience of preceding years and I hope his announcement will be regarded as the first step towards an employment strategy.

● (2040)

It will be a strategy when it contains certain elements of flexibility which the policy does not yet seem to contain. We can speak of a strategy when there is flexibility in our approach to institutional training. At present our hands are tied in relation to the provinces when it comes to the matter of spending money for the training of the unemployed. Our hands are tied by long-range agreements which do not permit us in periods of high unemployment to change the direction of our spending; we cannot decide that, instead of having institutional training programs, we could better serve Canadians with direct job creation. We do not have this flexibility now. Therefore I urge the minister to look at the nature of these long-range agreements with the provinces, and see how we can regain that flexibility which will enable us to have funds available when they are needed for direct job creation. I am speaking of times when the government concludes that direct job creation is a better answer for the reduction of unemployment. At present such flexibility is not available.

In order to have a strategy we must overcome our hang up, or the idea that we have to trade off inflation against unemployment. In the past decade we thought that we could have either high unemployment or high inflation, but not the two together. In the 1970's we have learned that both can exist together at the same. We can have high inflation, plus high unemployment; yet we still seem to think that if we reduce unemployment we may increase inflation. I do not subscribe to that economic theory, Mr. Speaker. I think we can reduce unemployment if we embark on proper policies and programs, particularly those related to direct job creation, without affecting the rate of inflation.

In order to have a strategy we need to know the effect of current programs such as the Community Employment Strategy. We must know the effect of other current training programs. What is the over-all picture? How do specific and specialized measures fit into the over-all scheme?

Our approach must be much bolder to unemployment insurance utilization and job creation. The minister mentioned this aspect the other night in his speech. I am glad. But it seems to me that we have reached the point at which the concept underlying the aims of the unemployment insurance fund needs to be changed.

I suggest that in Canada we need a system of employment insurance; second, we need unemployment insurance, as a position on which to fall back. I am sure Canadians would be willing to pay premiums to create jobs for unemployed Canadians. That concept is not far removed from that mentioned by the then Minister of Manpower and Immigration in 1974 when he addressed the Vancouver Board of Trade.

Having mentioned government policies in the field of manpower and employment, he said, if I remember correctly, that "if we can have unemployment insurance in Canada, why not employment insurance?" I think those were the words of the then minister.

We also need in connection with a strategy of manpower and employment a specific and clear statement relating to those who find it difficult to remain in the labour force, namely, older workers, and injured workers. I mention in particular older workers because they feel their skills are becoming obsolete, or because their waning strength does not allow them to work as vigorously as they did in preceding decades, making it necessary for them to look for lighter jobs. We must be concerned about them. We must be concerned about the injured, whose numbers are increasing in industrial centres across this country. In times like ours they find it particularly difficult to re-enter the work force. It is hard for them to become engaged in meaningful activity, to be gainfully employed; yet they need employment, for the sake of their families, and for their own sakes.

Since my time is running out I will conclude by saying a few words about the performance of the Anti-Inflation Board set up by our government. Canadians perceive clearly that measures implemented by the Anti-Inflation Baord and the administrator have affected wage and salary settlements. This much almost everybody in the country knows. But we have failed to convey the message that the performance of the Anti-Inflation Board is exceedingly fine in relation to profits, dividends, excessive revenue and, in some cases, prices. I urge the government to make certain that in coming months the Anti-Inflation Board will make known to all Canadians its fine performance in relation to that side of controls.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, in the closing minutes of the throne speech debate I wish to draw the attention of the House to some of the problems facing Canada, problems which are the direct result of the government's lack of leadership and lack of sound policies.

The Speech from the Throne reminded me of the 1974 election campaign. In that campaign the Liberals made promises left and right; after they were elected with a majority government they did not fulfil those promises. We are seeing that process repeated. This evening I shall criticize the government and recite a litany of government errors and inaction. Then I shall try, through constructive criticism, to suggest alternative policies which I and my party think will put Canada back on the road to a healthy economy in which most are employed and enjoy a decent standard of living.

My first point concerns the infamous anti-inflation program which the Liberal government imposed on the people of Canada. We in the New Democratic Party have been persistent and consistent critics of this program, not because we are against controls, not because we do not want to see inflation limited in this country, but from the simple point of view that we think this program is unfair and unworkable. I fail to be convinced by the arguments of my Liberal colleagues opposite that the situation in 1975 was different from the situation in

[Mr. Caccia.]

1974, and therefore was the reason why the government did an about-face and implemented controls to which it was so violently opposed less than a year ago.

● (2050)

We heard from the Prime Minister (Mr. Trudeau) and from his cabinet colleagues that inflation was a world-wide phenomenon which could not be controlled merely by policies taken in Canada, and that no matter what policy this government followed it would not affect the prices of imported goods. In addition they said that if wage and price controls were imposed they would come down harder on the worker and that there would be inequities in the program, that it would create a bureaucratic nightmare, and that it would not only disenchant labour but would cause skepticism in the business community.

I fail to see that that situation has changed. In fact what the Liberals said against controls in 1974 is just as valid today in 1976. I think the Liberal members of parliament, many of whom were elected on the coat tails of the Prime Minister in 1968 and are currently down in the mouth because of his unpopularity, should look not just to their leader and point the finger of blame, but should look at themselves and at the kind of statements and promises they made to the Canadian electorate in 1974, and realize that now the chickens are coming home to roost. They should realize that they could not deceive the public in 1974 and expect to get away with that without repercussions.

There is a lack of trust in politicians by the people of Canada and much of that lies squarely on the shoulders of the Liberal party and the way they deceived the electorate by campaigning against controls in 1974 and imposing them in 1975. At least the Conservatives are consistent. It is the Liberals who do an about-face and try to get away with it. I think the Canadian electorate in 1978 will pass judgment on that kind of political manipulation.

The anti-inflation program certainly has been effective in controlling wages. The unorganized find that their wages have been limited to an average of 7 per cent. We were told of course that this program was designed primarily to help the unorganized, those people not in unions, fight the ravages of inflation. Yet they have gained the least in terms of wage settlements. Organized labour has been able to obtain average wage settlements of about 11 per cent. The inequity is that they have not been based necessarily on the productivity or profitability of the particular industry in which workers find themselves. However, their wages are now arbitrarily set by the Anti-Inflation Board, or, more frequently, rolled back in an arbitrary manner by the administrator. I know my Liberal colleagues like to tell us that already they have controlled wages, or that they have kept prices rising at a slower rate than before the program was established. That of course is based on the assumption that wages are the primary cause of inflation.

In most industries today the wage component, especially in the manufacturing area, is somewhere around 10 per cent of

the total operating cost, so one cannot automatically make the equation that because wages go up prices will spiral. When one looks at the Consumer price index one finds it has been increasing at a significant rate, especially when one takes out the food component which of course the anti-inflation program does not control.

I shall not bore the House with the figures but the cost of housing, energy, and other things is rising at a rate of 10 per cent or better. If there has been a moderation in the consumer price index I am prepared to substantiate that it is not basically because of the anti-inflation program but because of changes in the world economy and market conditions especially as they relate to food.

We also claim that the program is unfair. The latest report of the Anti-Inflation Board gives a further example. We were told that under the program there could be an increase of 8 per cent in the first year, 6 per cent in the second year, 4 per cent in the third year, 2 per cent for productivity, and a 2 per cent adjustment for catch-up, with a dollar limit of $2,400 per year.

The figures have come in with respect to professional incomes. We find that a great percentage of them are double the $2,400 limit. The point made by the opposition is that of course if a doctor, lawyer, or engineer sees more clients or works overtime he will be compensated. However, their compensation in proportion to the kind of compensation a worker can get for working overtime is away out of line.

We have also found from the Anti-Inflation Board report that about 40 odd per cent of the professional firms have not as of now reported to the board. Therefore one is even more suspicious of the loopholes which exist. I would challenge any supporter of the anti-inflation program to come to my riding and explain it to a group of very dissatisfied workers, mostly retired or semi-retired gentlemen in their fifties or sixties, known as the commissionaires, the men who hand out parking tickets. They had a magnificent wage increase of from $3.90 to $3.95 an hour.

Mr. McKenzie: I would like to be on the record, Mr. Speaker, as accepting the challenge.

Mr. Symes: Mr. Speaker, for the benefit of my constituents I would point out that the member who is accepting my challenge and defending the program is a Conservative. He believes this program is fair.

As I was saying before my challenge was accepted, these commissionaires negotiated a wage increase of from $3.90 to $3.95 an hour. The Anti-Inflation Board considered that their wage increase was excessive and rolled it back. Then the employer also changed their hours of operation and denied them the amount of overtime they could have in any one month.

• (2100)

The sum total of these two decisions by AIB and the employer is that these gentlemen are now earning less than they did when they entered the negotiations! These are the kind of people who fall victim to this very unfair program.

The hon. member can come into my riding and try to explain to the paper workers who were on strike for six months the rationale behind the Anti-Inflation Board's decision on the kind of roll backs that were applied. I do not think he would have much success in convincing them of the justice of this program.

What we are saying is that this anti-inflation program as it is designed is not fair and, if there is success at moderating inflation, it is only marginal and basically the result of conditions over which the government does not have control. The program should come to an early end.

The other great problem facing Canadians, and where the government has again failed so miserably, is unemployment. I was speaking this afternoon to a group of West German trade unionists who are visiting this country. They asked me about the employment situation in Canada and were shocked to hear that we had an unemployment rate of 7 per cent, or over some 700,000 unemployed, whereas in most modern European countries an unemployment rate of 1 per cent to 4 per cent is considered horrendous. We lived with high unemployment in this country for too long, to the point where I believe governments and the general public are accepting it as the natural condition in Canada. In my party we reject that complacency. We argue that not only does unemployment degrade the man who cannot find work, not only does it bring hardship to his family and demoralizes both his family and himself, but in terms of crude economic costs to our economy it cannot be tolerated year after year.

When we tolerate that kind of unemployment at levels of 7 per cent, it means that the Canadian economy is losing each year some $7 billion in lost productivity. Add to that $1 billion in federal tax money to supplement the unemployment insurance program, and we can see the tremendous cost of unemployment to our economy. Rather than recognize this as the primary problem, the government continues its attack against inflation. Meanwhile the unemployment figures continue to mount and our economy continues to suffer in the way I have described.

We are growing rather tired in this party of the kind of band-aid approach the government takes toward unemployment. At the urging of many Conservatives and right-wing editorial commentators the government got on the bandwagon of cut-backs in government spending. Of course where did it begin cut-backs but in the meagre programs which exist to aid the unemployed? The Opportunities for Youth Program was scuttled, the Local Initiatives Program budget was cut in half, and people who were already in desperate straits took little solace from the fact that they could even get temporary employment through these programs.

Now with great fanfare the Minister of Manpower and Immigration (Mr. Cullen) unveils a great new employment strategy. What it turns out to be is just renaming the band-aid programs we had in the past, such as OFY and LIP, and putting them together on a year round employment basis. But

in light of the $7 billion cost of unemployment to our economy, in light of the human tragedy to the 700,000 unemployed, do we see great new sums of money put into the employment program? Not on your life. All they do is take the money that was saved by the cut-backs to the original programs and shove it into this new program. So we are no farther ahead; it is just a lot of fancy footwork which this government is so used to performing. It is puffery instead of substance, and we will continue to have high unemployment in this country as long as we have that kind of half-hearted approach to this very serious problem.

If we are to be serious about employment and getting people back to work, then we have to be courageous enough to infuse the massive amounts of money that are needed on a short-term basis to recoup this long-term financial loss, in terms of lost productivity, in terms of taxes collected from workers who are working rather than being handed out payments via unemployment insurance and welfare. If we are serious about getting Canadians back to work, then the government should make a commitment and live by it. Just as it made a commitment to reduce inflation to 8 per cent, 6 per cent, and 4 per cent over the next three years, likewise let us see a commitment to reduce unemployment by a certain percentage over the next three years.

Let us see some kind of massive employment program in co-operation with the provinces in terms of public works, in co-operation with the municipalities which have projects which they want done but cannot find the money to do. Let us see massive intervention in the economy in the way that capital is allocated, in the way that industry plans its expansion. Let us see some government involvement in terms of Crown corporations where private industry is unwilling to expand or invest.

What I am saying is that, if we continue in the traditional way, the unemployment problem will get worse and we as a country cannot stand indefinitely the kind of financial loss this means, nor the loss in terms of human dignity and well-being. Those are some positive suggestions I can make. Time limits me from making others.

Now I would like to turn my attention to another area in which I find the government lacks policies. It has to do with matters concerning environmental and industrial health. On the issue of environmental health I know there is a jurisdictional problem between the federal government and the provinces. However, there should not be a hesitancy on the part of the government to show some leadership and to set some examples in terms of federal legislation and activity to protect the environment.

● (2110)

There are two concerns to which I would like to address myself this evening and over which the government has direct control. One concern has to do with native people, and the other is the issue of uranium and the problems of radiation pollution. First, on the issue of native people, there is a growing problem of mercury pollution among native people in northwestern Ontario and also in northern Quebec. This pollution has already destroyed the economic viability of two reserves in northern Ontario, Grassy Narrows and White Dog, which I had the privilege of visiting in September. Mercury pollution from the Reed Pulp and Paper Company polluted the English-Wabigoon river system to the point where all commercial fishing had to be banned.

Then of course fishing, which was the livelihood of the native people of that area, was no longer possible, and those people were reduced to receiving welfare and to receiving handouts of frozen fish from the provincial government. The provincial government did not take action against the polluter, Reed Paper Company. The provincial government dragged its feet in terms of meeting the request of the native people that sports fishing in the area also be banned. Many natives were still acting as guides to sports fishermen, eating polluted fish and showing symptoms of mercury poisoning. No action was taken.

Then, to the amazement of all Canadians, the province of Ontario last summer met with the federal government, and both governments came up with a proposal to solve the mercury pollution problem in the English-Wabigoon river system. The proposal was to create a national park. This was without consulting the Indians to see whether this was what they desired. This was without any attempt by the federal government to use the clean water legislation already on the books, to take action, to try to restore the environment of the area and compensate the people involved.

No, they decided that they would establish a national park along that river system where the water is polluted. Perhaps they will call it "Mercury Pollution National Park". I do not know how it could be successful or who would want to go there, but the real problem is that, once a park is established, hunting will not be allowed, commercial fishing will not be allowed, nor the gathering of wild rice for commercial sale, which was a mainstay of the people there. Instead they will be limited to a life of perpetual destitution because there will be no more than a handful of jobs as park personnel. Meanwhile the problems of the people there will not have been solved. That is the kind of cynical and unrealistic thinking and action which take place when the government becomes serious about environmental cleanup and the health of native people.

Another example is the situation at Elliot Lake, where there is a very large uranium mine. Uranium comes under the jurisdiction of the federal government, and in particular, the Atomic Energy Control Board. There has been negligence on the part of the government and that board in supervising the disposal of radioactive waste. We have seen that at Port Hope, and it now looks as though the problem will be of even greater magnitude at Elliot Lake, yet there has been no ongoing survey of the situation. There have been no public hearings and no public releases of the information already gathered, but rather an attempt to cover up and keep the people in darkness regarding the dangers of radiation pollution in that area.

In addition to that, of course, is the problem the miners face. Working in the mines, they face the possibility of lung cancer and silicosis. Here again there is a lack of leadership on the

There is some concern that hyperactive children may have emotional disorders as adults. Hyperactive children may be at high risk for teenage alcohol and other drug abuse. The characteristics of these children, including, impulsivity, short attention span, attention seeking behaviour, low tolerance to frustration in the face of social and educational difficulties suggest that this group may become abusers of alcohol and other drugs in their teenage years. One study suggests that there may be a relationship between hyperactivity and subsequent alcoholism. A higher incidence of alcoholism and hyperactivity amongst the biological parents than the adopting parents of adopted hyperactive children was found in this study. In addition it was observed that hyperactives have a high incidence of hyperactivity and alcoholism amongst their relatives.

With respect to other types of anti-social behaviour, there are reports of cases of explosive personality characterized by aggressiveness with a "hair-trigger" temper. In these cases the explosive personality was preceded by hyperactivity in childhood.

While there are few follow-up studies of hyperactive children, most of the evidence indicates that there is a relatively poor outcome for these children. There is usually a high incidence of anti-social behaviour and contact with police, and many have become institutionalized as delinquents or become psychotic. Follow-up studies suffer from lack of comparison groups, small samples and inadequate analysis of behavioural pathology. The incidence of alcohol, and drug abuse in particular, has not yet been examined in detail. The study being supported by the Department of National Health and Welfare will address itself to some of these concerns.

Hypersensitivity reactions, commonly known as allergies, to foods have been described in the medical literature for centuries. In fact hypersensitivity reactions have been observed in humans following exposure to pollens, dust, certain chemicals and, in a few isolated cases, to some artificial food colours and additives.

Food allergies of various types affect 30 to 40 per cent of the human population while milk allergy in children alone range between 10 and 20 per cent. Individuals hypersensitive to foods will have symptoms ranging from rash to anaphylactic shock and even death. A person hypersensitive to milk, for example, may upon ingestion of milk or after eating milk-containing foods, develop nasal stuffiness, hives, eczema, migraine headache, nausea, diarrhoea, or even a serious attack of asthma.

The range of foods to which people can be allergic is almost limitless. The most common causes of food allergy are milk, grains—especially wheat—eggs, fish, shellfish, fruit—especially strawberries—chocolate, nuts. In addition to natural foods, food additives such as tartrazine, parabens, vegetable oils, protein additives, caffeine, cyclamates, flavors, etc., have been implicated in allergic reactions. The symptoms elicited vary from chronic and generalized urticaria, anaphylactic type of reactions, contact dermatitis, hives, itching and edema.

This belief in the relationship of food additives and hyperactivity has evolved primarily as a result of clinical studies

[Mr. Philbrook.]

conducted by Dr. Benjamin Feingold, a San Francisco physician. He recorded a marked clinical improvement in 50 per cent of hyperactive children treated with his "salicylate free diet" (also called the K-P diet). This treatment permitted a discontinuation of all drug therapy and resulted in a substantial improvement in scholastic achievement in these children. The diet given to the children contained no food additives or foods such as tomatoes, potatoes, cucumbers, squash, jams, nuts and virtually all fresh fruits, that naturally contain salicylates.

● (1640)

These initial clinical studies, as Dr. Feingold agrees, were empirical in nature, and although beneficial effects were observed it is not possible to draw definitive conclusions from these data. Strict adherence to these diets necessitated a dramatic modification in family lifestyle to accommodate the child's needs. Therefore, it is unclear whether the improvement in the children was due to the diet or to the additional care given the children in these particular circumstances. In addition the severely restrictive diet has been criticized by many nutritionists as being nutritionally inadequate. It is worth pointing out that in Canada the addition of food colours to baby foods is specifically prohibited under the Food and Drugs Act.

Other investigators have designed projects with the purpose of determining whether a relationship exists between food additives and hyperactivity. In a pilot study, conducted by Dr. Esther Wender of the College of Medicine at Utah, six of eleven children demonstrated an initial behavioral improvement. However, the report states that of the responders, five out of six showed a return to pre-diet behaviour over the challenge period even though diet was continued. Conclusions from this particular study spring mostly from impressionistic observations and do not lend themselves to statistical analysis.

An important preliminary attempt to investigate the hypothesis is the study designed by Connor of the Pittsburg School of Medicine. This study involved 15 children diagnosed in accordance with the American Psychiatric Association's definition of hyperkinetic reaction of childhood.

In this study statistically significant difference was found between the K-P diet and baseline measures on both parent and teacher ratings, as well as between the special diet and the control diet based on teacher ratings, but no significant difference between the special diet and the control diet based on parent ratings.

Dr. Connor concludes that "the special diet may reduce hyperkinetic symptoms" but warns that:

—it would be hazardous at this point to draw too many conclusions from this experiment, given the small size of the sample and the lack of complete consistency in the results. Any thoughtful observer will understand that a major intervention into dietary habits of a family will produce behavioral effects, regardless of the specific diets, a phenomenon well understood in the management of such conditions as juvenile diabetes. The results would have been substantially clarified if it had been possible to have objective measures of function uncontaminated by the psychological factors which are bound to operate in the family-school-child system. At this point the results point to the need for considerable further investigation.

It is important to point out that there was no direct evidence that the use of any of these additives had caused any ill effect to humans. However, in several cases the animal studies conducted on the compounds suggested that it would be prudent to discontinue their use. There are at present 344 food additives listed in the regulations.

Health Protection Branch will continue to examine old and new food additives and, in the light of the best scientific evidence available, take whatever action is considered necessary to protect fully the Canadian consumer.

In view of increasing public concern about food additives, the department is continuing to review and, if necessary, modify present policy and regulations on all food additives, pollutants, pesticides, etc. as resources become available. In this regard the department has completed a review of its policy on pesticides and heavy metal pollutants and has modified the regulations to reduce or eliminate tolerances for some pesticides. New, stricter regulations are being drafted to control the amounts of heavy metals in foods.

Mr. F. A. Philbrook (Halton): Mr. Speaker, the hon. member for Athabasca (Mr. Yewchuk) made some reference to the government not taking any interest in the health of Canadians or Canadians not being healthy. Looking at the other side of the House that probably seems to be true but I can only wonder with whom he is comparing Canadians in terms of health and health standards. The whole world agrees we have one of the healthiest populations on the globe. I wonder whether he is comparing us with a country like India, for example, a country which certainly has a great many health problems but little problem with food additives.

● (1630)

At first glance I am tempted to agree with the motion of the hon. member for Athabasca. Upon closer examination, I am not. If he is suggesting that the Canadian government undertake research to examine the relationship between food additives and hyperactivity, then in fact this is already being done, as I will point out in my speech. If on the other hand, the hon. member is suggesting we should duplicate research already being undertaken in other countries merely in order that we, in nationalistic pride, can say that Canadians are involved in the area, then I completely disagree.

Science is international in scope and it would not be prudent for each country to duplicate the research of other countries. The costs for a complete understanding of the causes and treatment of hyperactivity are enormous and might be related to many factors which have not been identified. Surely we should not waste our resources in vain duplication of effort, but ought rather to engage these in areas which are not already covered but which show some promise.

Certainly with a new condition such as hyperactivity, the most urgent research needed is on the causes, but that involves a much wider list of possibilities than just food additives.

Today there is an increasing public belief that foods and food additives may be a major cause of hyperactivity in children. However, there is some evidence that hyperactivity in children may be a manifestation of an allergic reaction. A child may be allergic to certain foods or components of foods. For exemple, it is known that some individuals are allergic to the food colour tartrazine, others are sensitive to certain analgesics, particularly aspirin. The Health Protection Branch is currently assessing the magnitude of this problem and possible courses of action to alleviate any potential problem in this regard.

Hyperkinesis or hyperactivity is the term used to describe a syndrome in children whose unusual behaviour becomes a major problem in the home and at school. These children may be described as being constantly active, flitting from one object or activity to another, restless and fidgety; exhibiting voluble, uninhibited speech, disorganized thinking and impulsivity. They are irritable and aggressive, have a short attention span and are easily distracted. This is how parents and educators describe children classified as hyperactive. Available evidence suggests that these behavourial characteristics may lead to other social problems such as mental illness, delinquency and alcoholism in later life.

Statistics on the incidence of hyperactivity in school children vary considerably among investigators. This variation stems primarily from the lack of agreement among scientists on either terminology or definition of the syndrome. For example, school authorities report the incidence of hyperactivity in children to be as high as fifteen to twenty per cent, while psychiatrists estimate the prevalence to range from four to ten per cent.

Little is known of the etiology of this syndrome. However, perinatal brain damage, genetically inherited metabolic disorders, accidental poisoning in infancy, environmentally associated psychologic disorders and hypersensitivity reactions to foods or food components all have been implicated as possible causes of hyperactivity in children.

Abnormal brain waves in some hyperactive children have been related to physical brain damage and/or damage due to hypoxia during birth; however, the relationship between brain damage and hyperactivity is unclear.

Hyperactivity occurs four to ten times more frequently in male than in female children. Consequently, genetically inherited metabolic disorders have been considered as a potential cause of hyperactivity. It should be pointed out that similar sex ratios have been recorded for many congenital syndromes in medicine but no firm evidence exists that the sex chromosomes are involved in the transmission of these abnormalities. Whether the hyperactivity syndrome is genetic or sex-linked is not known, because of a lack of knowledge of inheritance patterns involved in hyperactivity.

Some investigators have associated hyperactivity in children with accidental poisoning by chemicals such as lead but the clinical evidence to date is inconclusive. It is known, however, that hyperactive children have a greater tendency to accidental poisoning in the home, presumably due to their intense restlessness.

chemical must meet. The food additive must be safe for continuous use. Based upon all available toxicological data, the food additive must have been found by properly qualified scientists to be without appreciable risk for human consumption. If the use of the additive is considered to constitute a hazard to the health of the consumer in the amounts which may be present in foods, its use will not be provided for under any circumstances.

The use of a food additive must be effective and its primary effect must not lead to deception. Provision for the use of an additive will not be granted if its use results in deception regarding the merit, composition or value of the food.

Although it has been shown that an additive is safe and its use will not result in deception, provision for such use will be granted only if one or more of several criteria are met. For example, the food additive must improve or maintain the nutritive value of a food. This may be accomplished by the addition of a food additive to preserve the natural vitamin content of a food.

Although added vitamins, minerals, and amino acids serve the same purpose, they are not presently classified as food additives. The additive must improve or maintain the quality or acceptability of a food. Preservatives, emulsifiers, stabilizers, antimicrobial agents, filtering agents, and thickening agents are examples of food additives which improve the quality or acceptability of the food. The additive must improve or maintain the quantity of food. This may be accomplished by the direct addition of substances to preserve the nutrient value of foods. For example, anti-oxidants preserve the natural vitamin content of food, while anti-microbial agents are used to prevent microbial growth, thus decreasing food wastage due to spoilage.

These principles of safety, lack of deception, and benefit to the consumer are consistent with those enunciated by the Food and Agriculture Organization, the World Health Organization, and the U.S. White House Conference on Food, Nutrition, and Health.

I would like at this point to summarize the data toxicologists require when evaluating a food additive or a pesticide before a maximum level of use or a tolerance is established in foods.

They require that the chemical be tested—

Mr. Baker (Grenville-Carleton): On the Liberals and the NDP.

Mr. Maine: —on at least two species of animals for both short-term and long-term or lifetime studies. During the course of these studies daily observations of the general appearance and behaviour of the animals are noted. Weekly observations are made on bodyweight and food consumption. Initial and subsequent observations are made on haematology, urinalysis, enzyme activity studies, and organ function tests. At the end of the study all appropriate organs are carefully examined.

Reproduction studies are also required. Observations in the parent animals should include fertility, length of gestation, loctation index and tumour incidence. In the offspring the following data are required: stillbirths, litter size, foetal malformation, newborn weight, sex ratio, rate of growth, and 24-hour, five-day and 21-day survival data. If there is any indication of embryotoxicity, then further teratogenic studies are required.

After all these data have been carefully reviewed, the highest level of the chemical in the diet of the animal which caused no harmful effect is determined. This level is divided by 100 and the resulting figure is the amount which is permitted for human use; that is, if 100 parts per million in the diet of the rat caused no ill effects, then one part per million would be permitted in man's diet.

Let me explain the term "the acceptable daily intake" as it applies to food additives and to pesticides. Expert committees of the World Health Organization and the Food and Agriculture Organization have established over the years "acceptable daily intakes" for a large number of food additives and pesticides. This is defined as "the daily dosage of a chemical which, during an entire lifetime, appears to be without appreciable risk on the basis of all facts known at that time." It is expressed in milligrams per kilogram of bodyweight.

The two following examples relate the acceptable daily intake of food additives to the actual amount which is being consumed in Canada. Sorbic acid is an antimicrobial preservative which may be used in such foods as bread, cheese, pickles, jams and pie fillers. Assuming that it is used in all of these foods and assuming that one individual were to eat a reasonable amount of each of them in one day, then the intake of sorbic acid would be approximately 200 milligrams.

The acceptable daily intake for sorbic acid suggested by the World Health Organization is 1750 milligrams for a 150 pound individual. Sodium nitrite may be used in preserved meat and preserved poultry. Again making the assumption that all preserved meats contain this chemical and that one ate these foods every day, a person would be ingesting approximately ten milligrams of sodium nitrite per day. WHO has suggested that a 150 pound individual could safely consume approximately 60 milligrams per day.

Once a chemical is on the list it does not mean that it is there forever or that it is forgotten. Health Protection Branch is constantly examining the world's scientific literature, as well as conducting its own research on the toxicity of these additives.

When one realizes that 85 per cent of all the scientists who have ever lived are living today, and when one knows that the techniques and instruments used by these scientists are becoming increasingly sensitive, it is not surprising that new facts regarding some of these additives are becoming available. These scientific facts are carefully evaluated and, when appropriate, action is taken to prohibit the use of a certain additive. Since September, 1964, when specific food additive regulations were introduced, some 26 food additives have been delisted. Included were several food colours, non-nutritive sweeteners, flavouring agents, antioxidants from stabilizers, bleaching agents in flour and so on.

cherries are either bright red or a crimson colour similar to the colour of the jacket worn by the hon. member from Nova Scotia opposite, or bright green. We know that cherries are neither bright red nor bright green. We are used to seeing chocolate cake depicted in advertisements as dark brown. Is chocolate really so dark? Years of advertising have convinced us that that is how it should look. Similarly we think that lemon pie should be a bright yellow colour, whereas only the skin of the lemon is bright yellow.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but must inform him that his allotted time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): Order, please. There is not unanimous consent.

Mr. Frank Maine (Wellington): Mr. Speaker, I should like to comment briefly on the use of chemical additives in Canadian foods. The major fact responsible for the inreasing use of good additives has been the development of the prepared convenience food and the snack food type of product. "Instant" has become a magic word, and the family of "instants" now includes coffee, tea, chip dips, dressings, hot cereals, soup, potatoes and even breakfast. We now have such convenience foods as cake mixes, frozen pies, TV dinners, dehydrated potatoes, frozen fish sticks, brown-and-serve rolls, powdered breakfast drinks, dessert mixes, dessert toppings and so on.

In spite of the consumers' concern regarding the high cost of food, there appears to be an increasing interest in more sophisticated, more flavourful, more exotic foods. Certain consumers are avidly buying and eating frozen pizzas, frozen Chinese dinners, frozen shish kebab, asparagus hollandaise style, breast of chicken à la Kiev, and broccoli au gratin, to name only a few.

I understand that people generally have more leisure time today and have developed a marked preference for informal dining. We are apparently spending more time around our TV sets, or on the patio around the charcoal grill. These trends have rapidly increased the demand for snack foods—pretzels-popcorn, cheezies, onion-flavoured crackers—

Mr. Munro (Esquimalt-Saanich): Please, no commercials.

Mr. Maine: —bacon-flavoured potato chips, cheese dips, barbecue sauce and soft drink mixes. Many of these products depend upon the use of food additives.

Mr. Paproski: What about holopche and perohee?

Mr. Maine: Foods are being shipped greater distances and are being stored for longer periods of time. Consequently there is a need for food additives to prevent or retard spoilage. In addition, there is a trend toward buying convenience foods, for which additives are necessary.

I should like to discuss the role which food additives are playing and will continue to play in the processing of foods. While the use of chemicals in our foods has greatly accelerated in recent years and has been given increasing publicity, their use is not new. Faced with the uncertainties of climate and rainfall, and of hunting and fishing, primitive man had to learn how to preserve his hard-won food. Thus it came about that methods of drying, salting, and smoking were discovered. Hence the use of chemical additives in foods probably began when man first learned that meat could be preserved by the addition of salt.

A committee on food additives was convened in Rome, in 1956, by the Food and Agriculture Organization and the World Health Organization. This committee was given the task of drawing up general principles governing the use of food additives, and it concluded that, provided a food additive is safe when consumed over a lifetime, its use could be justified when it served one or more of the following purposes: the maintenance of the nutritional quality of a food; the enhancement of keeping quality or stability with resultant reduction in food wastage; making foods attractive to the consumer in a manner which does not lead to deception; and providing essential aids in food processing.

● (1620)

It perhaps should be also mentioned that the committee pointed our certain situations in which the use of food additives would not be in the best interests of the consumer and should not be permitted. These were as follows: (a) to disguise the use of faulty processing and handling techniques; (b) to deceive the consumer; (c) when the result is a substantial reduction of the nutritive value of the food. These principles are being used in Canada when assessing the justification for the use of food additives.

Perhaps at this point I should say what a food additive is, as defined by our regulations. A food additive is any substance including any source of radiation, the use of which results, or may reasonably be expected to result in it or its byproducts becoming a part of or affecting the characteristics of a food but does not include: (1) any nutritive material that is used, recognized or commonly sold as an article or ingredient of food; (2) vitamins, mineral nutrients and amino acids; (3) spices, seasoning, flavouring preparations, essential oils, oleoresins and natural extractives; (4) agricultural chemicals; (5) food packaging materials and components thereof, and (6) drugs recommended for administration to animals that may be consumed as food.

This rather clumsy definition encompasses the chemicals which are added to foods as colours, stabilizers emulsifiers, preservatives, anti-caking agents, non-nutritive sweeteners, bleaching agents, pH adjusting agents, and for other purposes.

Before accepting a food additive for inclusion on a permitted list in the Food and Drug regulations, officers of the Health Protection Branch have developed certain criteria which the

simply waiting to see the results of that project before we take action.

The hon. member for St. Boniface seems to be rather uneasy today. He has been quiet ever since the former minister of national defence resigned—in the hope that if he were quiet and good he might fill in the blank.

Mr. Guay (St. Boniface): The hon. member is not even on the subject.

Mr. Yewchuk: Obviously the hon. member has given up hoping—

• (1610)

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. I remind the hon. member that he should speak on his motion. It must be important, otherwise he would not have brought it forward. Let him speak on his motion instead of speaking about everybody else and his dog. If he feels his motion is important, let him speak on it and stick to the notes he is reading.

The Acting Speaker (Mr. Ethier): Order, please. I am sure the hon. member for Athabasca (Mr. Yewchuk) wishes to discuss an important point, and that hon. members will hear him.

Mr. Yewchuk: I should be interested to know to whom on his side of the House the hon. member opposite referred when he spoke of everybody and his dog.

Mr. Guay (St. Boniface): Mr. Speaker, the hon. member can be sure that I was looking at the opposition side when I said that.

Mr. Yewchuk: Mr. Speaker, I can only conclude that the hon. member for St. Boniface will not make it to the cabinet and has reverted to his old, noisy self. I suggest that he should not give up hope, because he may yet be appointed to a cabinet job.

Mr. Guay (St. Boniface): Go back to your notes.

Mr. Yewchuk: As I said, the Americans banned Red Dye No. 2 on January 19. They have also looked seriously at nitrates which, in certain experimental conditions, have been suspected of causing cancer. On January 28 the Minister of National Health and Welfare called that conclusion premature. Since then the matter has lain dormant in this country, maturing. That, at any rate, seems to be the minister's position.

On September 22 the U.S. Federal Drug Agency banned Red Dye No. 4, and another food, colour, carbon black; both food colours are suspected of having carcinogenic qualities, or qualities which produce certain types of cancer. Soon afterwards the Canadian Department of National Health and Welfare announced that Canada has no immediate plan to ban these dyes and that available information suggests there is no serious hazard connected with their use. That was the conclusion of the minister. He found there was no serious hazard; on the other hand the Americans concluded that there is a serious hazard and banned these food colourings. We must ask ourselves, who is right and who is wrong, or, who is to take the necessary action out of concern for the health and welfare of Canadians?

I suggest, if the minister has no immediate plan for action, that he had better have some long range plan in this area. I doubt if there is any such plan. In any event, when there is a dispute about the meaning of "available information", the public should always be given the benefit of the doubt. The expression, "There is no serious hazard," when applied to our food supply is contemptible, to say the least.

Cyclamates, better known as artificial sweeteners, have been totally banned in the United States for a long time. Cyclamates were banned in Canada as well but are still available in this country on prescription. Here again Canadians are exposed to a danger to which Americans are not exposed.

Clearly Canadians tolerate more readily than the Americans the possibility that there may be dangerous additives in food. I am concerned about that. I think it is a great mistake to consider chemical additives to our food supply as "innocent until proven guilty." That is a fine principle in legal proceedings. But I would sooner consider chemical additives to our foodstuffs as "guilty until proven innocent." If we approach chemicals from that point of view we are much less likely to be sorry, for we have been sorry for past negligence.

In this country we need a coherent approach to the entire field of food additives. We should not tolerate this business of doing a little here and a little there, or reacting to what the Americans are doing. We should not simply sit back and watch our American neighbours, that is, watch without reacting. We need a commitment that the evidence others have gathered will be reviewed, and that there will be a proper evaluation supported by scientific studies carried out in this country. They should be carried out under conditions found in this country. After all, conditions here are not the same as in the U.S. We can do better than merely keep in touch with what is happening in American research, which is what we have done so far. As reported in *Hansard* for last November 14, the minister indicated that that is his official policy at the moment.

What the department is doing would be laughable, if it were not so serious. In 1976 the Department of National Health and Welfare was sending letters to the food industry asking for information on which to base a list of permitted food colours. I understand the department sent out letters on or around July 16, 1976, to all parts of Canadian industry concerned with food colour; those letters requested information from the industry on which to establish a list of safe additives. I am concerned at such an approach because it suggests that the government is not overly concerned about research and establishing its own research program. It is simply asking industry for opinions.

Let me return to the questions of colouring and flavouring. As a result of many years of commercialism, people think that

with the increase in the addition of colouring and flavouring to food. The graph was identical to the one showing increases in the amount of general crime in North American society.

● (1600)

This matter was raised again in the House and on November 14, 1975, and as reported at page 9068 of *Hansard* the minister replied:

> I must report to the hon. member that up to this stage there appears to be no scientific evidence on which we could act in support of the thesis he has been promoting.

If we look at the action taken by the United States we will see that they were sufficiently convinced to order studies into these matters. A panel of 29 specialists suggested there was sufficient evidence to relate hyperactivity to food additives and found that the evidence was sufficient to merit further investigation. This is rather contrary to the position taken by our minister.

Perhaps it would be useful to define hyperactivity. Children of pre-school and early school age have great difficulty paying attention to what is happening. They move about too much in school, disturb classes, and are subject to temper tantrums. Their intelligence is not any less, but because of their inability to pay attention their ability to learn is severely affected. We should give further consideration to this problem.

A great deal of concern has been expressed by the public over the past number of years, although the minister seems to be impervious to it. This public concern is expressed in such newspaper headlines as "U.S. Will Examine Artificial Colouring"; "U.S. Panel Finds Role of Cyclamate in Cancer Unproved"; "Preservatives linked To Cancer"; "Food Dye Banned in U.S. Under Study in Canada"; "U.S. Bans Colour Additive"; "Government Decision Soon On Use of Red Dye." Mr. Speaker, the United States has already banned the latter's use.

The United States seems to be much more responsive to the possible dangers. When dye of one kind or other, or an additive of one kind or other is suspected of causing hyperactivity or being related to cancer or any other problem the U.S. authorities seem to take immediate action not only to ban the use if there is a connection with a serious effect, but also to do careful "double blind" scientific studies to prove or disprove the effects.

Dr. Ross Hall of McMaster University recently stated that some five years ago the World Health Organization recommended that Red Dye be banned. He says that from a biological viewpoint the dye should have been banned years ago. He maintains that it is very dangerous, but that manufacturers prefer synthetic dyes such as Red Dye No. 2 to natural ones because of their chemical superiority. The Minister of National Health and Welfare is not here today, nor is his parliamentary secretary nor anyone else connected with the department either directly or indirectly. I think it is a shameful reflection of their interest that there is no representative to listen to debate on this very important subject.

Mr. Guay (St. Boniface): On a point of order, Mr. Speaker, I want to point out to the Chair that the hon. member is wrong. The member representing the department in this matter has gone to the telephone and will be back immediately. These things do occur.

Mr. Yewchuk: Mr. Speaker, I am glad to see the hon. member has been cajoled to come back to the House. Obviously he was not interested enough to stay to listen and he should, as he has only started in his new job.

Mr. McRae: I rise on a question of privilege, Mr. Speaker. I am very interested in this subject. I left the floor for about two minutes because I had an emergency telephone call. I hope we will not have these remarks flying back and forth. The department is interested in the whole area of food additives, as is everyone in the country.

Mr. Yewchuk: I seem to have struck a rather sensitive chord on the other side, Mr. Speaker. I am talking about hyperactivity, and it seems to be very well demonstrated.

Before I was so rudely interrupted I was referring to a statement made by the World Health Organization, concerning Red Dye No. 2. At the time they were indicating it should be banned, five years ago. The Minister of National Health and Welfare was saying in a recent news report that it was premature to ban it. It appears that the minister thinks he is better informed than the World Health Organization and the other experts who expressed the concern which resulted in the United States banning use of this dye.

I have to say that on the subject of food additives my patience with the government is becoming rather thin. Obviously it does not care. In face of steadily mounting evidence that particular additives are possibly or unquestionably harmful to human health, and the increasingly more positive view that additives have combined effects at which we can only begin to guess, the minister has done nothing but stall. In this he has been supported by those members who sit behind him. I should like to illustrate this with a few more examples.

At the present time the United States is funding a double blind study into the relationship between food additives and hyperactivity in children. In Canada, in typical Liberal fashion, the Minister of National Health and Welfare has sent an observer to see what they are doing. That is the extent to which he is willing to concede that there might be a problem. He is not sufficiently concerned to do something in this country but has simply sent an observer, such as the hon. member for St. Boniface (Mr. Guay), or one of the others, to see what they are doing and what they come up with. As a Canadian I am not satisfied that he is showing sufficient concern about this problem. It is certainly not the kind of concern that the Canadian people want their government to demonstrate.

The United States has a project in Oklahoma which is trying to determine the relationship between mood and food in adults. We are not doing anything like that in Canada but are

Agriculture" from letting those people use the legislation Canada provided for them. I am surprised at that. Am I not supposed to defend the legislation that the best producers of our whole society used to increase their productivity 100 per cent per capita in the last 10 years when in the rest of the world the figure is 30 per cent or 40 per cent per capita? When legislation from the most democratic institution in this land is passed, and we are told not to use it, that is wrong. What in the world are we talking about?

That is what the consumer critic for the official opposition is suggesting in his questioning. On the one hand he wants to help broiler producers. Then he says we should not help them because we would be using the legislation parliament passed. There is no other institution which goes through such exercises or holds public hearings. Unions market their labour. Do they have public hearings before they are franchised as a union? No, and I know because I was a member of a union. However, they are marketing their labour, and farmers are marketing their products.

Hon. members opposite should ask the new member for Ottawa-Carleton what she thinks about supply management. She has written me letters and told me that she could not run her business successfully if she did not have a supply management system. When anything like that is suggested for farmers, that is ungodly, but the Canadian Wheat Board was foisted on us, without a vote and without an expression of opinion, by a Conservative government which said to farmers that they must deliver by quota, according to the number of acres and so forth. Farmers were told that that is how they must supply the market; that they must not rush in and deliver their products.

They were told that they were not to plug the elevators so that those out further in the country would not be able to supply the market. They put some fairness and equity into the system, and that is all I want for farmers. I do not want to take away the incentive to be creative.

Some hon. Members: Hear, hear!

Mr. Whelan: I know why the hon. member for Grenville-Carleton said what he did, because I know his mother-in-law.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): She likes you too, Gene.

Mr. Whelan: If I were running against the hon. member, I think she would vote for me because she has a farm background.

I am not going to say any more, but I promise that as far as this minister is concerned any constructive suggestions coming from any member of the committee will be considered. If we can make this legislation better and more workable, that is what we want to do.

Some hon. Members: Hear, hear!

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

[Mr. Whelan.]

Mr. Knowles (Winnipeg North Centre): Four o'clock.

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

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I think there is an agreement and a disposition in the House that the matter to be dealt with today is the motion standing in the name of the hon. member for Athabasca (Mr. Yewchuk), Notice of Motion No. 6, and that all the rest shall stand.

Mr. Dionne (Northumberland-Miramichi): That is agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

EFFECT OF ARTIFICIAL FOOD ADDITIVES ON CHILDREN AND ADULTS

GOVERNMENTAL EXAMINATION RECOMMENDED

Mr. Paul Yewchuk (Athabasca) moved:

That, in the opinion of this House, the government should take independent action to examine the relationship between artificial food additives and hyperactivity in children as well as between additives and behavioural changes in adults.

He said: Mr. Speaker, I want to talk about this subject in parliament because it is a matter which shows what we already know about hon. members in the government at the present time. It is a matter which shows nearly total neglect in so far as the health of Canadians is concerned.

Today we have somewhere in the vicinity of 3,000 to 4,000 chemicals added to our food supply and which are consumed nearly every day. I think it is quite safe to say that in the vast majority of cases the chemicals have not been adequately tested to convince me and many other Canadians that they are safe for human consumption.

The matter to which I particularly want to refer today deals with artificial colouring and flavouring, and it was brought to the attention of the Minister of National Health and Welfare (Mr. Lalonde) for the first time in this House on October 20, 1975. At that time the minister refused to acknowledge that there was a problem in relation to these additives. It was again brought to his attention on October 24, 1975. It was pointed out that somewhere in the vicinity of 7 per cent of North American children were suffering from a condition known as hyperactivity, and that certain researchers in the U.S. had related hyperactivity in children to artificial colouring and flavouring in food. Further, other researchers suggested that not only does this artificial material perhaps cause hyperactivity or over activity in children, but also that perhaps it has a relationship to crime or criminal activity among adults. I saw a graph indicating a very parallel growth—nearly identical—

on the record today. For instance, hon. members on the other side have referred to beef production. What in the world do they think President Ford is trying to do in the United States for his beef producers? He is trying to run a supply-management system by means of his meat import law. He tried it with the economic might of the United States and he hoped that people would co-operate. He said, "So much of that meat from your country can come to my country etc.," but they did not live up to that agreement.

People are asking. "What is Whelan trying to do with this legislation?" Let us go back to the inception of the Canadian Wheat Board Act. Who put it into force? It was a man after whom they called buggies out west for a while—it was R. B. Bennett. There was no vote after 1935 until the late forties on whether or not they really wanted the Canadian Wheat Board set up. That was the Canadian Wheat Board which was imposed on the farmers in Canada. Then there was the Canadian Grain Commission.

The hon. member for Battle River is circulating a petition against the supply-management of beef. Let me tell him that I cannot do it to the farmers of Canada unless they want it, because it is not in the legislation. He is using scare tactics. I can tell him that there would be nothing but chaos on that market in the foreseeable future. Even the Canadian Cattlemen's Association is saying that perhaps by 1981 we will get out of trouble. Last year at this time when I put quotas on the U.S., Australia, and New Zealand, they told me to lift the quotas, free the market and let it operate in its own fashion. Now they tell me to get back and do something. Every editorial in the agricultural papers is saying it is time the government acted. Last year they told the government to mind its own business and stay out of action.

The hon. member for Grenville-Carleton has dairy farmers in his riding and I know exactly how many of them in his area are in trouble. Let me say that I do not distribute that quota to the people—it is the provincial marketing board which distributes it. We are putting a program into effect now and if producers do as we tell them to do—which we tried to tell them last year—there will be more fairness and equity. We are trying to put right some of the injustices that occurred.

To say that this legislation will be rigid is nonsense. Anyone can tell that this legislation is broad enough to include most producers. When I am accused of not having consulted agricultural producers before coming out with this legislation, let me suggest that hon. members opposite should read some of the farm newspapers nudging us before the throne speech to bring in an advance payment program. They asked "Where is the advance payment program of the Minister of Agriculture, the one he talked about three or four years ago?" It is unfair to say I have not consulted anyone about this program. They thought probably that we would not do anything about it, and now they are surprised it is in place. The hon. member for Grenville-Carleton should read some of my speeches that come to his office and he would find a record of the times when I spoke about it to different farm groups in this nation.

I said that I wanted to put Canadian agricultural producers, regardless of whether they were grain producers or producers of other foods, on an equal basis so that they would not have to rush their crops to market to pay the bank an 11 per cent or 12 per cent interest. Hon. members opposite are saying we will freeze them in. If they want to sell their commodity somewhere else, they can pay in cash, but they will have to pay the interest on that if they do not sell their commodity or deliver the product on time. They must pay in cash above the exempt $500 on the total loan, or 10 per cent, whichever it happens to be.

● (1550)

Hon. members who have spoken have said that they agree with the principle of the legislation, but then I have never heard so much pessimistic talk about what it is liable to do or not do. I just do not understand, with the little bit of trouble we are in in some areas of agriculture—and I say little because I compare those troubles with the troubles of other nations of the world—how can hon. members be so pessimistic? We have a tremendous production entity called agriculture in our country. I cannot be that pessimistic. I think even my colleague, the Secretary of State for External Affairs (Mr. Jamieson), is a little pessimistic. He should thank God that we have a tremendous wheat crop because the production facilities in the U.S.S.R., for example, are about as unpredictable as the weather. Who knows what will happen next year in the U.S.S.R.? What incentive is there for its people to be productive?

The hon. member for Battle River talked about land use and suggested I bring in a bill with regard to land use. We do not have that authority. That is under provincial jurisdiction, and the hon. member should know that. He has been a member of this House long enough to realize that.

Hon. members opposite are asking us to co-ordinate some kind of land program. We have a complete land map of Canada. We are always redesigning it with regard to urban encroachment, but we do not have control at the federal level. If we walked in and made demands with regard to land we would be called dictators, but that is difficult to get across to the public. The public thinks we have that authority, but that is wrong, wrong, wrong! All hon. members have to do is check my record in municipal politics and they will find that I was involved with some of the first plans and zoning for any rural municipal corporation in the province of Ontario. I realize the importance of land.

Some weeks ago, I believe before the House adjourned, I remember the hon. member for Brome-Missisquoi (Mr. Grafftey) asking me what I would do for the broiler producers of Canada. He said that they were going broke. Then when the broiler producers decided to do something themselves and we did not spend money on them, the hon. members suggested that that was immoral and wrong and that they should follow the legislation passed by this parliament for them. The head of the consumers' association wrote a letter to the Prime Minister (Mr. Trudeau) saying that he should "stop that Minister of

orderly marketing purposes, but I think there are people in the agricultural community who, unlike some of their colleagues, do not necessarily agree that it is best.

We have had problems in regard to milk quotas in my part of Ontario. We have had a dreadful situation in regard to the milk producers in eastern Ontario, indeed in all parts of Ontario and in Canada. I do not have to tell the Minister of Agriculture about that. He knows all about it. He has received letters from me in respect of it. The minister said that he had warned the milk producers what would happen. If he did, then that message did not get through to the milk producers of Ontario, at least in my part of Ontario according to what I am told.

Another problem in regard to this part of the program—and I know you, Mr. Speaker, have an interest in this because of the nature of your constituency—is the problem which faces the farmer when he attempts to obtain an advance from the government under any act or statute in respect of compensation for herds affected by brucellosis and a number of other things. There are always complaints that payments are not high enough, and only producers know that. But what concerns me is the complaints that one receives that payments are not made quickly enough. I am not suggesting that all the bureaucracy is putting stumbling blocks deliberately in the way of the financial stability of agriculture, certainly not, but I hope that if an arrangement is made under this stature, whatever payments are to be made under it will certainly be carried out and facilitated at a much better rate than is the case now.

● (1540)

The reason I rose in this debate—and I listened to colleagues whose constituencies are basically agricultural in nature—is that my constituency not only has a large agricultural area but has more than that. There are small businesses, farm equipment dealers, feed dealers, stores and shops, artisans, tradesmen and professional people in the smaller towns of eastern Ontario which I do not want forgotten in terms of their dependence upon the agricultural industry. If the agricultural industry is to proceed properly, we must take into account the difficulties and the rather unique risks to which they are subject, the physical risks of farm production and storage, bad weather, disease, pests, price risks, imports from other countries, etc. This statute will advance that kind of stability. I imagine that there will be questions about it on second reading and, as the hon. member for Elgin (Mr. Wise) said, subject to the answers to those questions and to the input which we receive from farm organizations which have not yet had the opportunity to study this statute in detail, our party is prepared to support it.

In closing I should like to say that I hope the Minister of Agriculture does not look upon himself merely as the defender of agricultural interests in Canada. I do not think he does, but when I read his speeches—and I get them by the bale in my office—sometimes I think he does. I hope he will look upon his responsibilities as part of the over-all responsibility that the government has collectively to provide stability in the agricultural industry, and that takes into account the responsibilities of the Minister of Consumer and Corporate Affairs. If in the speeches I find that from time to time the Minister of Agriculture has become defensive, it may well be because perhaps the attitude of the government which he serves—and he serves agriculture in good faith, I think, although he may well be misguided—is such with respect to agriculture that he must feel his neck becoming a little red. However, it is important that we not lose the essence of the collective responsibility and that he should realize that while he is Minister of Agriculture he also has responsibility to the consumers in Canada, as does the Minister of Consumer and Corporate Affairs have collective responsibility also to all agricultural producers in Canada. Part of their responsibility is to create an atmosphere of understanding between these two groups, and unfortunately—I say this with regret—that has not happened thus far.

[Mr. Baker (Grenville-Carleton).]

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): I should remind hon. members at this time that the minister's speech will close the debate.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure that it has already been mentioned that I am supposed to catch a plane. Perhaps I should not tell anyone at what time I am to catch it because I will not be allowed the 40 minutes to which I think I am entitled in which to answer all the questions that were put to me. I was asked to go to Toronto with the Prime Minister of Jamaica, and I have to be at the airport at 4.15 p.m.

I should like to put a couple of points on the record. First and foremost I should like to reply to the point made by the hon. member for Grenville-Carleton (Mr. Baker). I realize that my job as Minister of Agriculture is not just to be responsible to the agricultural producers of this nation. My responsibility is to the total Canadian society. Also, as has already been mentioned by the hon. member for Battle River (Mr. Malone), I am responsible to a great many people outside Canada who benefit from our food aid programs, and I must ensure that our producers are able to fulfil our commitments which we as a government made to aid other people in the world.

On listening to the hon. member for Battle River one might think we were not doing anything with regard to distributing food in the world. Let me point out that in this regard we are doing more per capita than any other nation in the world, not only in actual food aid but in per capita dollars from Canadian taxpayers who are paying into those programs.

I have been making notes of some of the things that have been said this afternoon, and unfortunately I find it would take much longer than the time I have today to answer all the questions that have been put, but I intend to do it in committee. However, if we stick only to the bill in the committee, it will be very difficult to answer all the questions and to reply to the character assassinations by innuendo that have been placed

I think groups generally have supported the principle of this bill, and all speakers on this side have said that we support what the bill is trying to do. However, as I have pointed out, there are a few things we want to know. There should be equity between western and eastern producers with regard to advance payments, but the department has not been able to detail how this is going to be achieved.

In general, my main objection and concern are with regard to the two crops that mean a whole lot to the economy of the farmers in the area I come from, and we are a little unclear as to how these farmers can benefit under this bill.

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I indicated to the Minister of Agriculture (Mr. Whelan) a few moments ago that I should like to say something about this bill. I do so because a large part of my constituency, certainly in terms of area and interest, is agricultural and the people in that area depend very much on the agricultural policies of the government.

● (1530)

One thing which concerns me, because of the policies of the government in part, and because of certain other circumstances perhaps in smaller part, is that fewer farms are being occupied by bona fide farmers. I see a change in the agricultural industry. I do not express concern for that merely in political terms but also in terms of the community.

What seems to have happened in respect of agriculture in my constituency, and in Canada to a great extent, was exemplified by the charade we saw this morning during the question period. You will recall, Mr. Speaker, that the hon. member for Brome-Missisquoi (Mr. Grafftey) asked whether or not the Minister of Consumer and Corporate Affairs (Mr. Abbott) would mind at some stage going over and chatting with the Minister of Agriculture to underscore the truth of the division between those two responsibilities. For some reason unknown to me, the Minister of Consumer and Corporate Affairs got up in the full glare of the press gallery, marched over and sat down beside the Minister of Agriculture, and shook hands with him! It was a charade. I understand it was intended as a joke, although perhaps a joke in poor taste.

I do not blame the Minister of Agriculture who received the Minister of Consumer and Corporate Affairs, but perhaps it was symbolic as well because it seems to me, as an observer of the attitude of the government and the way it functions, that it functions on the basis that it assumes there will be some conflict and that there must necessarily be some conflict between the interests of the consumer and the interests of agriculture. If I am right in that assumption—and this is the information I receive from agriculturalists as well as consumer groups in my constituency—I think the assumption is wrong and that the government should act in terms that there can be some real basis for understanding between those two important communities in Canada.

I have never said and do not say that the agricultural industry in Canada is not in all its parts basic to the prosperity of the nation. I have said publicly, here and outside the House, that people in this country must understand that food and the food industry do not begin at the refrigerator door and that there is much blood, sweat, tears, and investment which go into that industry in its basic form, namely, at the farm inside the farm gate, before food finds its way to the consumer's table or cupboard.

I have followed parliament and the development of government and governmental responsibilities ever since I went to university in this city, and as I look back over the history of recent times there seems to have been an assumption that there must be a dichotomy or division. I say with some sadness that perhaps the attitude of the Prime Minister (Mr. Trudeau), and the attitude exhibited this morning by the government House leader in the discussion we had on the rules of the House, indicate that the leaders of the government in the House of Commons do not believe in the principle of collective responsibility. It was perhaps since 1968 that this breakdown has occurred. Coincidentally that year was the year the Prime Minister became leader of his party.

The concept of collective responsibility is a very important practical element in the matter of understanding and shows itself in many ways, but particularly in the way in which an attitude of confrontation has developed.

The farmers face many risks, not the least of which is the weather. Some of my colleagues have said that in terms of weather perhaps 15 per cent may be added ultimately to the price of any commodity. In other words the Canadian farmers are faced with this atmosphere and climate which we have by the grace of God. If you believe, as I do, that the government's job is to create an atmosphere in which business, including farming, can operate properly, then that point alone places an additional degree of responsibility on the government. That is why, like my colleagues who represent much deeper agricultural interests than I do in terms of size and the nature of the business, I am concerned about the lack of interest in agriculture and the dearth of any initiative in respect of agriculture in the Speech from the Throne.

As I understand it this really is a bill to help agriculturalists finance their operations in respect of the crops covered by the provisions of the legislation. In that sense it is a good initiative. However, it raises some questions in my mind. The hon. member for Norfolk-Haldimand (Mr. Knowles) spoke of the corn producer in southwestern Ontario. There is a large corn industry in the sense he mentioned, in eastern Ontario. It is subject to the weather and to all the other vicissitudes and so on which other members have mentioned in respect of crops which interest them.

I would hope, either in committee or elsewhere, the minister could answer the question which was put and which interests me concerning whether the Corn Council would constitute an organization or whether it is necessary for a producer's group to be established. I am also concerned that the legislation does not seem to cover independent producers who may or may not belong to this organization. There may be a reason for this which I hope will be explained. Perhaps it is necessary for

With respect to the tobacco grower, I personally do not see how at the present time he can benefit from the bill at all because tobacco grown on the farm, cured and packed for sale, is not in a condition to be stored on the farm. The only way to store it is to send it to a processing and packing plant, have it redried to proper humidity, packed in hogsheads and stored. This has been done by the Ontario Flue-Cured Tobacco Growers Marketing Board, I believe since 1964, when they entered into an agreement with certain processing companies whereby it was processed, packed and stored at a flat rate. The committee that the board set up at the time really had the control of it, and whether the act would recognize that the farmer still retains control through his committee of the marketing board is something we will have to find out.

Even prior to this the tobacco growers set up a co-operative, the Ontario Flue-Cured Tobacco Growers Marketing Co-operative, and they have a plant right near Kingsville where the minister lives; I think he knows all about it. They operated there for a year or two. The co-operative bought the tobacco and paid money for it on the exchange. I am sure that tobacco that was stored in this manner would not qualify under the bill because the farmer no longer owns it and therefore does not control it. I ask the minister to explain in some detail, when he has the opportunity, precisely how the tobacco grower can benefit from this plan.

I suppose one immediate criticism of the bill is that of discrimination. For example, the corn growers—the other group I want to talk about in some detail—of southwestern Ontario were one of the major advocates of this type of legislation, an advance payments plan similar to that of the Wheat Board in the west. Now that Bill C-2 has arrived, these corn growers will find themselves ineligible because they have not set up a corn marketing agency.

This is a pretty important crop in southwestern Ontario. I do not have to remind the minister of that; he is right in the centre of a big corn growing area. Actually, the crop has been grown throughout southern Ontario since the advent of the new early-maturing hybrids, seeds that are now available in Ontario. Corn has become a crop all through the province. In 1975 the crop was 130 million bushels. In 1976 the estimate is about 125 million bushels, down a bit. The figures I have quoted come from the Ontario Corn Council. The value of the 1975 crop was estimated to be about $320 million. I suggest this is an indication of the size of the industry, and a significant number of farmers have a lot of money at stake and certainly would benefit from this legislation.

As I have said, however, they have no organization that would really qualify under the bill, as I read it. This council is an organization comprised of representatives of all facets of the industry, such as the growers, elevator operators, brokers and so on. I would doubt that they would qualify, so I repeat that we should find some way in which these individual farmers can receive some of the benefits of the legislation.

Another comment with respect to corn that I want to make is that the formation of a corn marketing board or agency in southern Ontario was discussed a good number of years ago, but the plan was never put on paper in a concrete form that could be presented to the growers for a vote on it. Therefore I repeat that there is simply no organization for them.

I do not know whether it would be fair to accuse the government of trying to force farmers to bring themselves under marketing agencies or marketing boards. Could these marketing agencies be the forerunners of compulsory supply management on a general scale? Or is this simply a means whereby the government is trying to appear helpful while really doing next to nothing? For example, producers will have to ask themselves whether advance payments are worth the bureaucratic cost of marketing agencies' administration, especially since these costs will have to be borne by the producers themselves. No wonder the government has limited its liability to $200 million.

By and large farmers—I do not need to tell the minister this because he is one himself—are rugged individuals and they like to have control of their product, especially when it comes to selling it. They like to be able to decide when is the time to sell or whether to hold their crop till next summer. So for a third time I return to the suggestion that we find some way whereby an individual, without belonging to an agency, can participate in this plan.

At the federal level the grains and special crops division of Agriculture Canada will administer the program. It is not expected that more manpower will be required, I suppose because the paper work and the detailed work of administration will be done at the local level, at the agency, as the bill provides.

The bill defines what are crops, and it is interesting to note that they are grains, oil seeds, root crops and so on. I should just like to make reference to two provisions of the bill which are a little confusing and unclear, to say the least. In the interpretation section "crop" is defined as "grains, oil seeds, root crops and such other field grown crops as are prescribed." However, when we come to the application of the bill, clause 3 provides that "This act applies in respect of crops grown in Canada" period. So evidently there is no limitation.

When I asked the departmental officials about this, the grains division could not give a definite answer as to whether potatoes would be eligible. I do not see why they would not, but that is the answer they gave. They said that apples were eligible, but not strawberries. As a result there should be a complete listing to clear the matter up. The minister, either in the bill or perhaps by way of regulation, should give a listing of what products are eligible.

The maximum advances set out in the bill, $15,000 for individual producers, $30,000 for partnerships, and $45,000 for three or more partners, are the same as on the prairies. In the Wheat Board area a producer can apply for an advance payment at his local grain company. The company is allowed to pay the producer one half of the total advance applied for on the spot, a good feature. The remaining half is forthcoming after the Wheat Board has checked the application for accuracy. This might also be incorporated in the bill or put in the regulations.

raise in committee, and we certainly want to voice at this time our objection to the government for failing to pay greater and needed recognition to the agricultural industry. Take the situation which has allowed the beef industry in this country to go into its fourth year operating at below the cost of production. We should stop and recognize that the meat industry is the third largest manufacturing industry in this country, a business involving nearly $3 billion. Yet the federal Department of Agriculture has failed to take the initiative it ought to have taken to find markets, to cut off imports from the oceanic countries that are literally making Canada a dumping ground for beef. The minister might respond that he has already done so, that he has put on some quotas—

Mr. Whelan: I put them on last year.

Mr. Malone: Then he cannot go out to Western Canada and tell the farmers with a clean conscience that he has done anything to protect the meat industry when he recognizes that they are now in their fourth year of operation at below the cost of production. Otherwise it is not possible to gather together 300 ranchers at two day's notice in a protest meeting about what's happening to the meat industry. We know what has happened.

It is obvious to those on this side of the House what has happened to the Minister of Agriculture. He may well have a good conscience in terms of what he wanted to do in the agricultural industry, but he has lost his power in cabinet because at least twice, and probably three times, this summer there were policy pronouncements that something was to be done for the cow-calf operator. They never naturalized. Deadline dates came and went telegrams were sent by premiers to the minister, and there were never any responses to them. The truth of the matter is that the minister has failed to get his policies past his cabinet colleagues. In other words he has failed as a minister to demonstrate the importance of agriculture to the whole country, and that is obvious today when we look at the Speech from the Throne and notice the insignificant amount of attention given to the industry which built this country, the industry which is still the backbone of Canada, the industry which is still among the greatest of exporting commodities that we have in terms of helping to improve our balance of trade position.

Whatever feeling we may have on this side of the House that these is some acceptability attached to Bill C-2, that this is a bill the minister has not goofed up as much as some of the others, we have to chastise him most severely for his failure to recognize that the agricultural industry has been underplayed and underscored. Everyone in this House and everyone in Canada traditionally eats three times a day—I would suspect the minister may do so even more than that but we must recognize that if we are to have a productive land, if we are going to use slogans like "The Land is Strong" it is high time agriculture was given its proper place in our society.

I would hope that at the next opportunity the minister has he will be announcing policies that will deal with international sales of food products such as might be a stimulus to the agricultural producers of this country, encouraging them to produce to their maximum capacity with full assurance that the government will play its proper role in seeing that those foodstuffs are sold to the Third World nations and help alleviate what has been an obvious and most critical problem—four-fifths of the world suffering from malnutrition. The fact that there has been so little mention about agriculture in the Speech from the Throne underscores the government's failure to recognize Canada's most important resource, agriculture, and those engaged in it.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to make some comments about Bill C-2, particularly with regard to two specific products which are produced in large quantity in the area which I represent and about which I think I have some knowledge. What I have to say will be directed to the bill, supplemented by a few questions to the minister which I know he will take the opportunity to answer either here or in committee.

Bill C-2 authorizes the federal government to guarantee loans to producers in advance payments on their farm stored crops. Those advances would give producers some operating capital for the following crop year, that is, the producer would have some money for seed, equipment, etc. Once his crop has been sold, the producer would repay the loan with the interest on it being paid by the federal government. The bill before us extends to the other producers of Canada advantages which the Canadian Wheat Board producers have enjoyed since 1957. Bill C-2 has been modelled on the Prairie Grain Advance Payments Act of 1957-58. However, there are certain differences, which will be pointed out later.

Under the terms of the bill before us, advance payments will be paid out by a producer organization. Bill C-2 defines an "organization" as an organization of producers. However, the intent of the government is that the producer organization be a marketing agency. Thus the bill is rather misleading. Would there not be some way to ensure that individual farmers might receive the benefits of this legislation? I suppose, on reflection, that the administrative difficulties of doing so might be too great; the department is obviously expecting that the organizations referred to would be responsible for the book work and the administration. One of my hon. friends suggested that the banks be involved in this type of program and the minister might well give that suggestion some thought. The problem as I see it is that certain farmers are going to be disqualified from the benefit of this legislation, as I shall point out later.

● (1520)

Presently there are only about 12 marketing agencies which would qualify immediately under the provisions of this bill. These are provincial agencies, such as the agencies for B.C. apples, Ontario wheat, Ontario white beans, and the Ontario Flue-Cured Tobacco Growers Marketing Board, of which I am a member. These agencies are generally centred in B.C. and Ontario. This leaves many producers and many areas of Canada out in the cold and ineligible for advance payments.

I challenge the minister to stand in his place and clearly demonstrate what kind of a program he has for the sale of crops in the international market place. It is my belief that if anything is weak in our society today it is the failure to sell aggressively agricultural products in the international market place.

We talked about the minister's inability to recognize the major problems of agriculture by introducing only this one bill, Bill C-2. The assumption that must go with that is that Canada has a lot of land and therefore agriculture is really an unimportant industry. In truth, only about 13 per cent of Canada's land area is agricultural, nearly one half of which is limited to permanent pasture. Only 7 per cent is suitable for cultivation, and subsequently, field crop production. The real restriction lies in the fact that only 2.4 per cent of Canada's land area is of excellent quality, namely class one and two soil. Most of the urban growth is taking place over these top two categories of soil. Now, the data shows a very different situation. The case is not .4 per cent out of 100 per cent, but rather .4 per cent out of 2.5 per cent, or approximately 20 per cent of our best land has been destroyed by urbanization.

During the past five years 200,000 acres of Ontario farmland were removed from agricultural production for other uses. At Ontario's present rate of farmland destruction, one half of the present foodland will be out of production by the year 2000, and 100 per cent destroyed by the year 2025.

Canadian cities now cover more than 9,000 square miles, most of which were once the very best of a food-producing resource. In the five years between 1966 and 1971, Canadians lost four and a half million acres of prime farmland to urban growth.

It is important to note that of the major cities on the prairies, Winnipeg, Regina, Saskatoon, Lethbridge, Red Deer, Edmonton and Grande Prairie are all built in the middle of old geological lakebeds. That means that every major prairie city except Calgary and Medicine Hat is built on silted out soil; a prime resource for food production. Nearly one half of all land used for urbanization is from the top one twentieth of our food resource land. The reason for this phenomenon is a natural one; towns and cities sprung up and flourished in those areas where the pioneers were able to maintain productive and profitable agriculture.

At the present rate of farmland destruction in Canada, our remaining 24 million acres of class one and two soil could be reduced to as low as nine million acres by the year 2000, at which point Canada could suffer a significant food shortage. To destroy such a vast amount of a non-renewable food-producing resource is morally wrong when four fifths of the world suffer from malnutrition.

Moreover, we need to bear in mind that the world's population increases by 70 million people per year. Therefore the farmer will have to increase his present production by more than 60 per cent before the year 2000 just to maintain our current miserable level of inadequate food supply. I would like to repeat that. Therefore the farmer will have to increase his present production by more than 60 per cent before the year 2000 just to maintain our current miserable level of inadequate food supply.

These are only two sources of food; they are fertile soil and water. In the temperate zone it takes 20,000 years to produce an inch of topsoil. Farmland should obviously be considered as a non-renewable resource. More than 80 per cent of Canadians live on land that is zoned or restricted. Cities have zoning departments to plan and organize growth. Note, however, that planning is practised only when land is treated as a commodity, but void of consideration on resource land. Why has food production become second rate to housing and industrial development? Why does the Minister of Agriculture permit continuence of the use of black soil for backfill for houses and factories, when at the same time the world's greatest need is for food to stave off conditions of malnutrition?

• (1510)

Some will choose to cling blindly to the false position that we have ample farmland. Those who previously took such views have left an unfortunate example but a valued lesson etched in history. The Coliseum in the Roman City of Thysdrus with its 65,000 seats is a conspicuous remnant of a mismananged land. So is much of North Africa, Tunisia, Ceylon, of the Indic region, the slopes of Peru and the City of Jericho, Southern Russia, etc.

It is too easy to conclude that agriculture is secondary to civilization, that industry and commerce are all-important to an advancing culture. The truth is that every human achievement to which the current technology world bears witness is based on successful agriculture, be it domestic or foreign. People who are hungry do not concentrate on cultural advancements as long as there is not enough food. I simply want to underscore, Mr. Speaker, that it is an absolute shame that in a land such as Canada with the food producing capacity we have, with farmers who have the managerial skill, the technical know-how and the willingness to produce in this country, we find only this one bill being placed before us in the second session of the Thirtieth Parliament.

I think it is an incredible mistake that we have been so late in our history coming forward with some piece of legislation showing a federal initiative in terms of the protection of agricultural land. It is one thing to talk about advance crop payments but how can we have any crops at all if we don't have any soil to grow them on? The federal government for example, confiscated 88,000 acres for Mirabel Airport, and talks about confiscating land by the thousands of acres for an airport north of Toronto, all on prime agricultural land. The truth of the matter is that we will not even need an agriculture minister if we are going to wipe out the one resource that produces almost all are food. The fact of the matter is that he only needs to stay around to the year 2,030 at the rate of our present destruction and there won't be any soil, and we won't need him at all. That might be the only advantage attached to the rate at which we are destroying our own farmland.

I just want to underscore that while we don't find fault with the principle of Bill C-2 we have some serious questions to

I hope this sort of thing will not happen under Bill C-2. I hope changes will not be made unless they are announced well in advance. We all recognize that change must come from time to time, but I hope they will not occur in the sort of circumstances I have mentioned in which people face awkward and then uncomfortable situations. Indeed, Department of Agriculture officials at levels below the minister make rulings such as the one which denied purebred status to registered animals. I am not convinced that the minister is aware that that change took place. Yet that decision cost one farmer in my home province nearly $500,000 when his purebred herd was destroyed because it had brucellosis.

To turn to other aspects of Bill C-2, let me say that the advance payments program will not really encourage the production of crops in this country. As I said before, if we are to take our agricultural industry seriously and make it produce even more, we must sell our produce aggressively on the world market. If we do so, our farmers will produce as never before and make a good living. Our present system is less than satisfactory. The ups and downs of the market are often governed by the size of crops. When there is a scarcity, prices go up; but when there is an abundance of produce, as there is at present, it tends to depress the world market. This, in turn, tends to have a depressing effect on the farmer.

Advance payments will not provide the farmer with more money than he would earn from the sale of crops. They are simply an advance of the money he would earn, paid to him at an earlier date. The truth of the matter is that a man cannot operate in that kind of climate.

We on this side of the House are prepared to approve in principle Bill C-2, but we will want to have many details cleared up in committee, because some matters have yet to be specifically dealt with, one of them being consultation with other farm organizations. We shall want to know more about the mechanism through which advance payments will be paid. In other words, is there to be another bureaucracy established, or will the government allow the private sector, which already possesses the necessary organization and structure, to conduct this business?

I forewarn the minister that approval in principle by members on my side of Bill C-2, an act to facilitate the making of advance payments for crops, is by no means to be construed as an indication that we on this side of the House, or farmers across this country, will allow the government to become more involved in agriculture; and I am particularly referring to any supply-management system in respect of beef. In that regard I would like to respond to one of the answers the minister gave in this House in reply to a question by the hon. member for Pembina (Mr. Elzinga). I quote from page 147 of *Hansard* for October 18, 1976 where the Minister of Agriculture is reported as stating:

● (1500)

—it is obvious that the beef industry needs a supply-management program. It is obvious these producers cannot deal in the world free market under the present conditions and exist.

If there has ever been an example of something in which lack of consultation has taken place, that has to be one of the clearest examples that could be placed before this House.

About two weeks ago, on two days' notice, 300 ranchers gathered in the city of Lethbridge to protest any intentions the minister might have in relation to a supply-management system. On October 22 of this year in the town of Stettler 800 ranchers gathered. They were attempting to disseminate across the four western provinces, on very short notice, a petition which we intend to table in this House. One of the main points of that petition is that we do not want a supply-management system in the beef industry.

I hope the minister will soon recognize that any approval of Bill C-2 and the government's involvement with advance payments on grain is by no way a licence to consider that the Department of Agriculture can go forward and manage all parts of the agricultural sector.

The petition that will be circulated for a very brief period of time has caught on like wild-fire in my province. People from other provinces have started to telephone to see where they can get this petition. What they are saying is that they do not want a supply-management system for the beef industry. That underscores one of the real cautions that we must have with regard to government involvement in industry of any kind.

In the beef industry, there were 29 ad hoc short-term policy pronouncements in a two-year period. That surely is good reason to recognize why the industry is presently in trouble. If supply management is not working well in the poultry business, and not working well in the dairy business, and the minister should be well aware of that, surely it cannot be a program that will work well in the beef industry which operates on a three and one half to five year cycle.

Advance payment on crops is not nearly as important as increasing the amount of foodstuffs. That ought to have been within the programs and obligations of the Minister of Agriculture. His thrust in this legislation ought to have been to recognize the world need for food. In light of that recognition there should have been more than 48 words in the Speech from the Throne related to agriculture. There should be more than Bill C-2 coming before us to give us something that talks about a guarantee to farmers that, if they produce at their maximum, they will be justly rewarded for their production.

There is nothing more urgently needed in world society today than an increase in the amount of foodstuffs. It is abundantly clear that in a year like this, when there has been a surplus of grain and cereal grain production in Canada, one thing that is required is an assurance to farm people that this will not depress their prices. However, no sooner did they raise a bumper crop than the price began to plummet. That came at a time when the Anti-Inflation Board was holding all other people in this country to essentially a 10 per cent increase. However, this group of people, the most important people in our society, have to run the risks in the market place, not because the market is weak but because the Department of Agriculture is failing to sell their product abroad.

and, at best, to 17 million acres. The minister should realize it is not enough to bring in ad hoc or short-term policies, or policies that affect only one sector. We should have an over-all agricultural policy that would help meet the worldwide demand for food.

This bill falls far short of what is needed. It will give an advance payment to farmers, and I have no argument with that; but it does not take into consideration the increased crop production of this country. When we stop to consider that four-fifths of the world's population is suffering from malnutrition, and that every year there are 70 million more mouths to be fed, surely the minister should encourage farmers to produce to maximum capacity. I know he will make the response that our farmers are efficient and have increased their production faster than the non-farming sector of the country. Of course, I do not disagree with that. The minister makes good speeches in this regard. But the fact is this country is falling far short of its capacity.

This year we have abundant crops from the Atlantic to the Pacific. But the Soviet Union, Australia, America, and other major wheat producing countries also have abundant crops. It simply does not make sense, in a year of abundance, to depress prices or be discouraged about finding an outlet for our crops on the world market. The truth of the matter is that Canada's major failing is that it does not sell agricultural products abroad aggressively and forcefully. This country puts agricultural products on the shelf and hopes a buyer will come.

● (1450)

I feel that the Department of Agriculture is under the important obligation of encouraging farmers to produce to the absolute maximum. The department should adopt the attitude that we can sell aggressively on the international market, that we cannot tolerate any longer people living in dire poverty. I challenge the minister, who I know will speak shortly because he wants to catch a flight away from here, to tell the House how he intends to sell food products abroad and how the performance of the agricultural industry, one of this country's major industries, compares with that, say, of the automotive industry.

Let us consider what is happening in the field of meat. We know that the meat industry is one of the three largest in Canada. It is a $3.5 billion industry in Canada, ranks second in the cost of materials used—it spends about $3 billion on materials—spends about $6 million a day on livestock, and employs nearly 33,000 people. Yet when you compare that industry with General Motors or any other industry of the same size, you note that its product is not being sold as aggressively on the markets of the world, markets which obviously have a tremendous need of food.

There is not even full consultation with our producer groups, with farm groups in this country. My colleague for Wetaskiwin has justifiably said that there is no reason at all to seek the establishment, through Bill C-2, of a new organization or structure through which advance payments could be paid to farmers. There is no reason at all for any new bureaucracy.

[Mr. Malone.]

The necessary mechanisms already exist in the private sector in the form of banks which have the personnel for administering the program and for keeping records of transactions which take place. But the government must take the responsibility for the payments.

I should like to underscore three things which ought not to happen as a result of the passage of Bill C-2. First, we feel that farmers do not need, as so often happens when the government passes a law, any extra burden of paperwork. When the government passed its anti-inflation program, one of the biggest complaints of small businessmen was that they were overburdened with paperwork. I hope that will not prove to be the case following passage of Bill C-2.

Second, and more importantly—I hope the minister will lend a careful ear—I hope the payments will not be late, as is traditional when payments of this kind are made through the Canadian Wheat Board.

One of the things that frustrates farmers is that they expect money to come in, but then realize that they can place no dependency on the federal government as to when the payments will be made. If we are to operate a really efficient agricultural industry in this country and maintain it as one of our largest industries, we must make such payments predictable. We must let the farm producer and manager have some clearly defined idea as to when these sorts of finances are to be made available. We must give our farm producers a sense of assurance; they must know that there is a guaranteed period within which advance payments will be made.

Third, if I may raise another point relating to what may happen after the passage of Bill C-2, I hope that this government or this minister will not, as has been traditional, permit a change of the rules in mid-stream. The Minister of Agriculture (Mr. Whelan) should make particularly sure that once the rules have been established they are not changed without due announcement.

I will underscore my concern by relating an example which will show how the Department of Agriculture inflicted a tremendous injustice on certain people in this country by changing certain rules without notice. I am alluding to what happened within the health of animals branch in relation to cattle suffering from brucellosis and Bang's disease. At one time it was held that any animal termed as "registered" was considered a purebred. Then suddenly a case involving diseased cattle ended up in courts because the Department of Agriculture lawyers said that "registered" no longer meant "purebred" animals.

One farmer in my province who owned a purebred herd, a herd registered as sixteen-seventeenths Charolais, was not able to collect. He lost a $500,000 herd because a change had taken place without announcement. The final statement of the judge presiding in the trial was, "I have done my duty; I have ruled in accordance with the law, but I do not believe I have done justice." That is how the judge felt about rules being changed without notice.

seems to me that this has to be the solution, particularly when we have agricultural commodities in the cyclical position in which many of them are.

If in good years when a farmer has a high income he is allowed to put a certain amount of that money away into his own stabilization account, which would be non-taxable, when the cycle turns down he would be able to draw this money from that account. It would then become taxable, but it would take away the apprehension we see in the cattle industry, in the hog industry and in a number of other agricultural industries. When there is an aggregate stabilization plan, the farmer is at the beck and call of the aggregate situation. It could be that this year the western grain stabilization plan will be kicked off because the price of grain may drop a small amount. However, that may not be true because the volume this year is substantially increased and the aggregate income this year may still be very high.

In conclusion, I think the best answer for prairie farmers is not to give them more credit. Even though the situation with regard to advanced payments is not really credit, it still could amount to an interest payment for him. The answer has to be individual income stabilization, and not aggregate stabilization. In the committee we will have many questions to ask about this bill. We will be asking why banks cannot make these advance payments directly to farmers. There will be a number of other questions which I have asked in my speech and which have been raised by other hon. members on this side of the House.

● (1440)

Mr. Arnold Malone (Battle River): Mr. Speaker, I am very pleased to have the honour of following the hon. member for Wetaskiwin (Mr. Schellenberger) and to reiterate some of his excellent remarks. In speaking about Bill C-2, an act to facilitate the making of advance payments for crops, one thing that can be granted to the minister is that he has not fouled up the farming industry as much this time as with most of the other legislation he has brought before the House.

There are some questions about this bill, however, even though it has not done the damage we have witnessed in other legislation put before this parliament. The hon. member for Wetaskiwin noted that one of the very serious concerns we have about the bill is that it speaks about an "organization" being established to administer the funds in the advance payments for crops program, extending beyond the traditional Wheat Board system that has been the practice. But what is the rationale for establishing a whole new organization, a whole new bureaucracy to administer financing to a group of people in the major regions of the country, when the banking institutions are already equipped to handle such an obligation? No response has been forthcoming from the minister, but when we get into committee of the whole I hope he will recommend that we use the existing mechanisms of the banks and treasury branches, etc., to finance the program rather than establish a new bureaucracy.

We do not disagree with the bill in principle. One objection that we make most strongly, however, is that it is the only piece of legislation to flow from the Speech from the Throne. I think it is an insult not just to the Canadian people and not just to the Canadian farmer but to the whole world that there were only 48 words on the subject of agriculture in the Speech from the Throne. No greater problem faces humanity today than the need for food. We know that there are only two sources of food: one is soil and the other is water. Four-fifths of the world's population suffers from malnutrition. We know that 12,000 children each day die of starvation. This means that 12,000 died yesterday, today another 12,000 children died, and 12,000 will die tomorrow. That is the average death rate due to lack of food. That the Speech from the Throne devoted only 48 words to agriculture, and this is the only bill to be brought in as a result, is a shame, Mr. Speaker.

Previous speakers have mentioned the lack of consultation between the government and producers, and this fact cannot be underscored enough. The minister claims there has been consultation with various producer organizations, but he has not established which organizations were involved and investigations on this side of the House have not revealed any consultations. The organizations deny any consultation with the minister in regard to Bill C-2. Obviously, any consultation should come before the enactment of this bill into law, and not as an afterthought.

Clearly, this is the only bill affecting agriculture that will flow from the Speech from the Throne and, clearly, the minister has failed to recognize the serious problems affecting agriculture today. Where is the legislation in respect of soil conservation? The minister well knows that a promise was made to the provinces a decade ago that the federal government would undertake a soil mapping program. This was to establish and unify a soil classification program from coast to coast, indicating areas of rich and poor quality soil—but it has never been completed. The only classification that exists was done more than 30 years ago, so the promised program is long overdue. If we are to have a productive agricultural industry, one of the most important aspects is preservation of present agricultural land, but the minister has taken no steps to establish the promised soil classification and mapping program.

In 1978, Mr. Speaker, the International Soil Science Conference will bring some 3,000 soil scientists to Edmonton from all over the world. The last conference was held in Moscow. As these scientists look at what is happening to agriculture in Canada, they will realize that as a country we are not paying enough attention to this valuable resource. You cannot grow crops unless you have soil, Mr. Speaker. It is all very well for the minister to speak about advance payments for crops in Bill C-2, but he is missing the major point about what is happening in agriculture—that you cannot grow crops if the soil disappears.

There are 24 million acres of class one and class two soils in Canada today. At the present rate of destruction, that figure will be reduced, at worst, to 9 million acres by the year 2000

hundred thousand dollars may be a significant amount to carry.

The final difference is that whereas grain producers market their produce through the Canadian Wheat Board, there is no requirement in Bill C-2 that producers must market their crops through the organization. Presumably they are free, as they are today, to choose their own marketing channel. One wonders what is the purpose of setting up a number of producer groups if, first, they are not necessary to the act as a marketing channel and, second, the banks could perform the lending function more efficiently and more directly. There seems to be little point in getting producer organizations involved in the extension of advance payments when banks are perfectly well equipped to provide loans under the government guarantee.

When we look at the experience with cow-calf grants, we see that farmers in western Canada today go to their district agriculturalists to pick up a form which provides a government guarantee; then they go directly to the bank for the loan. This seems to be a very efficient manner of getting a grant or a loan, but under this proposal the farmer will have to belong to an organization. He gets word from the organization that he is eligible, and the organization then borrows the funds from the bank and turns them over to the producer.

● (1430)

Why involve the organization at all? It seems to me that an amendment could be proposed here to clarify the position and to make it much simpler by allowing the farmer to go to a bank, declare his interest, declare the amount of crop he has, provide the necessary security and get an advance with a government guarantee that if he fails to produce the crop there is some security beyond the collateral he has put up for his loan. So I question the whole procedure advocated in this bill. If in committee we are not satisfied with the answers to these questions, I think it would be logical to propose an amendment to make this a much simpler procedure.

In clause 5(A)(b)(i) of Bill C-2 there is mention of a named buyer. Does this mean that the individual producer must provide the details of the future sale of his crops in order to obtain an advance payment? If so, what would be the implications of this requirement? I have visions of a producer being forced to give the details of his sale well in advance of actually making that sale.

When we look at the case of rapeseed producers in western Canada, we see that many of them sign contracts in advance of seeding to supply to a crusher so many thousand bushels of rapeseed, and the price is set then. But we are talking here about many other commodities the future marketability and price of which we do not know. The price may fluctuate, and if producers tie themselves into a contract they could then get a very much lower price than if they allow the market to work as it will and take the best price possible for their commodities. This is where the advance payment comes in: it allows the farmer to hold on to his commodity until such a time as he can get the best price. But why put this clause in the bill whereby producers must provide the details of their future sales by naming a so-called named buyer?

I must also express my disappointment about the fact that we have this mysterious term "organization" in the bill. Has the minister contacted these organizations and asked whether they are prepared to take this bill under their wing and set up the required mechanisms to put in place the advance payments to the farmers? I have been reading the farm journals and I have been talking to a number of organizations, and none of them has mentioned that they have been asked whether they are prepared to set up this type of arrangement.

As a westerner, I am very familiar with the problems of the prairie farm economy. By and large, these problems are the same as those which plague farmers right across Canada. While it is true that realized net income for Canadian farmers is up 8 per cent over last year, there is a continuous spiral in the cost of farm input—the costs of fertilizer, petroleum, electricity, operation and depreciation are up 15 per cent over last year—and this gives farmers little reason to be happy with their position.

We just heard from the hon. member for Dauphin (Mr. Ritchie) that the situation in the export market does not look very bright this year. The Secretary of State for External Affairs (Mr. Jamieson) recently returned from the Soviet Union. He said there has been a tremendous crop in that country and that the Soviet Union may not be prepared to provide a market this year. This causes farmers some concern, because they have been getting reasonable prices for their grain for the last couple of years. This year there was a tremendous crop of high quality grain, but things do not look good with regard to a market. They are still faced with these high costs.

Mr. Whelan: They have the grain stabilization program.

Mr. Schellenberger: I have here a table of the Canadian farm input price index and we can compare the index for a number of commodities. We can take the period 1974-1975. The fertilizer index was 161.9 in 1974. In 1975 it jumped to 204.6. While we realize the necessity of the increase in the price of petroleum, petroleum is a major input for farmers and that index has risen from 144.8 to 173, an increase of some 30 points on an index of 100. The index on farm buildings has risen some 24 points, farm machinery from 153 to 178—and we can go on through electricity, hired farm labour, and feed costs. They are all substantially increased. Looking at the same figures for the first two quarters of 1976, we see that they have again increased substantially in every case but fertilizers. So the farmer in Canada is looking at the price for his product, then he looks at the cost to bring that product to market and there is much apprehension.

The minister mentioned that we have the Western Grain Stabilization Act, and perhaps this gives some farmers some comfort, but not very many. I still believe that even though we passed the Western Grain Stabilization Act, the best way to cause farmers the least apprehension about their future is to set up an individual stabilization account for each farmer. It

It would seem that the feed grain policy of this government has had the effect of the producer's barley being sold on the open market at upward of $1 less than what it has been trading for on the world market. In a Cargill Grain Company Limited newsletter it is suggested that the Wheat Board has been selling the new barley crop at very respectable prices with premiums over corn. In effect, the Wheat Board has been selling in excess of $2.30, while sales on the open market are at $1.90, which is much less than its real value.

The article in the *Western Producer* goes on to say that dry weather in Europe, and weather concerns in the United States corn belt, have combined to increase export feed grain values, and that barley had risen in value at Thunder Bay to $2.78 a bushel. It was considered that there would be a bumper crop of wheat which might be present in the world, but there was not a bumper crop of barley.

● (1420)

The policy of the Minister in charge of the Wheat Board (Mr. Lang) of pricing barley on the Montreal market in relation to Chicago corn has obviously caused a great disservice to western producers. It has meant that somebody has been able to buy a substantial amount of barley at about $1.95, when in effect the selling price was closer to $2.75 or $3. It is not altogether clear who owns this barley, whether it is the Eastern Feed Grain Board or whether it is the brokers and exporters who may well reap almost $1 or $1.50 for it on the open market.

That policy has probably caused the western producers losses of up to $100 million to $200 million, and it has perhaps caused the loss of foreign currency and foreign exports of an equal amount. In effect, it is an attempt to say that two products which are not alike, are alike. In effect, the feed grain policy of the government which tries to equate corn and barley in the Montreal market is not functioning, and in the end it can only lead to losses for everyone concerned and may well bring substantial windfall profits to the people who are fortunate enough to buy barley at this reduced price. That is all I have to say about this bill at present, Mr. Speaker.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, as I rise to speak on this bill today I welcome the proposed legislation because I think it provides greater equity between the Wheat Board area and the growers of crops who do not come under the Wheat Board. This legislation should help the rapeseed grower in particular because in the past he has been unable to get an advance on his crop since it did not come under the jurisdiction of the Wheat Board.

One of the principal questions that has been asked by various members who have spoken on this legislation is about the mysterious wording in which it is couched, specifically the definition of the word "organization". The bill defines "organization" as an organization of producers, and that is as clear as it gets. I suspect that the organization to which the minister refers means such organizations as the Agricultural Federation of Canada, the Rapeseed Growers of Canada, and the potato associations in the various provinces. However, this is unclear. I suppose we will only get a clear definition of this word in the committee, unless the minister, in concluding the debate, clears up this matter.

It is probable that the producer groups which could gain the greatest benefit from these advance payments at present do not qualify because they do not belong to any organization. Let me refer, again, to the rapeseed growers in western Canada, many of whom do not belong to any organization. They grow rapeseed as a cash crop, a crop that has had a good quota in the past. As a result, if markets for this commodity decline, the only way in which they could qualify for an advance is by joining an organization.

Before this legislation becomes acceptable, a number of questions must be answered to satisfy the legitimate concerns of many of the farmers who will be affected. The first question is: If there is no existing organization and producers are forced to set one up in order to qualify for advance payments, who will cover the costs of the expenses incurred in setting it up? The second question is: Who will cover the administration expenses of such organizations? The third question is: What happens to the independent farmer, of whom we have many and who want no truck or trade with producer groups? Will he lose out because of his independent status? The fourth question that comes to mind is: What crops are really covered by this legislation? The bill states that root crops and other field crops will be covered, but I think it should be stated more specifically.

While there are similarities between Bill C-2 and the Prairie Grain Advance Payments Act of 1957, three major differences separate the two. The first is that the administration of advance payments for grain is carried out by only one organization, namely, the Canadian Wheat Board. Because a number of organizations will be entrusted with the implementation of Bill C-2, there is greater latitude for inequities and inefficiencies, in my view. The disparity in the size of the various organizations and the financial resources available to them are only two of the problems which they will be facing.

The second difference is that while the Canadian Wheat Board is not liable for advance payments made by it, the organizations expending advance payments under Bill C-2 will be liable. Although this liability amounts to only 10 per cent of the actual advance, it is a significant risk because many of these organizations are small. This risk may be particularly onerous for new organizations which will have to be set up to reap the benefits of this act. Under the Advance Payments Act, the amount of money that is still owing to the Wheat Board is not really significant when you consider that over $1 billion has been lent, and of that $1 billion only about $9,385,-000 has not been refunded by producers. But when we read further, we find that by January 31, 1976, everything other than another $4 million has come in, which leaves a balance of $3.8 million to be collected. This is a credit to the farmers of Canada. They have been able to deliver the goods that they promised to deliver to the Wheat Board. The $3 million to the Canadian Wheat Board may not be a significant amount. On the other hand, when it comes to an organization, a few

their products shall be marketed through the marketing board. There seems to be substantial reason to believe that an element of supply management and government control over the products encompassed by the bill could be instituted through the application of this legislation. I would be glad to hear the minister explain this point.

• (1410)

I hope the minister will explain that this legislation will not act as a back door for marketing boards and supersede the right of the producers to decide through a plebescite whether or not they desire marketing boards. We have heard a good deal about the plight of agriculture in the last few days. It would seem that there will be leaner times in the immediate future.

Yesterday's *Globe and Mail* reported the observation of the Anti-Inflation Board that food prices are going down. I think it can fairly be said that most of the decline resulted from prices at the farm gate and not, as has been suggested by the AIB, in the retailing and processing or distribution end of the business. For instance, the outlook for sales by the Wheat Board does not appear to be good. Certainly on the Chicago exchange the world traders indicate they feel that what they think should be the price of wheat has shown a drastic fall in the last year. Perhaps media sources and worldwide communications tend to exaggerate the effects of drought and natural disasters and the expectation that food sales and food exports will always continue to rise.

Indeed, with the anticipated rise in world oil prices in the immediate future we can anticipate that world trade in food products may drop. Certainly it can be said that the world can only consume the most that it has in its worst year. There are bound to be periods of surplus far into the future. Indeed, if there were not, it is obvious that many people would starve when the inevitable natural disasters reduce the world supply.

Exports of agricultural products are an important source of foreign exchange and have a great effect on the standard of living of Canadians. Generally speaking, we have exported more agricultural products than we have imported. This has not always been the case. Should world trade drop, we would find severe competition from American grain growers who seem to have increased their efficiency substantially more than the western Canadian farmers. The structure of the western grain industry, which provides nearly all the exportable surplus of food from this country, has changed substantially in the past eight years. Many people have left the farms, which means that productivity is dependent on greater use of machines. However, with the expected and, indeed, inevitable rise in farm costs both in respect of machinery and fuel there may well be a relatively greater rise in the cost of production in Canada than in some of the other exporting countries. Indeed, we hear a great deal about how much higher prices are in Canada than in the United States in respect of comparable commodities, both in relation to production and transportation. Agriculture is no exception. Certainly, our cost of production and transportation will be higher than is the case in respect of our neighbour to the south.

[Mr. Ritchie.]

Canadian agricultural policies in many instances appear to help denude the farms of manpower. It is true that farms are not as attractive for most people as are alternative jobs in towns, villages and cities. Many agricultural policies projected by the federal and provincial governments seem to have hurried the change-over from labour-intensive agriculture to capital-intensive agriculture. This has promoted the holding of larger farms and perhaps more immediate efficiency, but it also raises the question of whether or not this is important in relation to strong agricultural industry. Much of the efficiency of agriculture during the past 25 years can be attributed to relatively cheap oil and gas and the attendant input of fertilizer and herbicides made from oil and gas. With the projected rise in prices of these inputs, agriculture could face some rather severe adjustments and in the long run there could be relatively higher prices for food for the consumer.

I should like to turn to a few comments about our present agricultural policy which I think deserve attention. There is an editorial in the *Western Producer* of October 7 under the headline, "It's time to make changes in two-price wheat policy". This article points out that since 1973 Canadian millers have been buying wheat from the Wheat Board at $3.25 per bushel for Canadian consumption, with the difference being made up by the federal treasury when prices were between $4.75 and $5., and the farmers contributed to the program when world prices were above $5.

Now, wheat prices have dropped drastically. In September the selling price of No. 1 CW red spring wheat at Thunder Bay was $3.43, almost $2 less than a year ago. It seems likely that it will go even lower, given the amount of wheat on hand throughout the world. It is pointed out than an immediate review of this two-price system should be instituted. The Wheat Board has said it has sold large volumes of grain on international markets for future delivery, but it is not altogether clear whether this grain is in the hands of the importers or whether it has merely been sold to brokers and will have to be resold on world markets some time in the future.

Certainly, the farmers of western Canada face greatly reduced prices. The minister in charge of the Canadian Wheat Board has announced that he asked the Canadian Federation of Agriculture to ascertain what is the proper floor for wheat sold to Canadian millers, and that they stated they need cost-plus, and so on. I think it is important that this be done immediately.

I would also like to point out what I think has prevented the sale of a considerable volume of Canadian barley abroad and has reduced the sale value of Canadian barley to the producers by perhaps $100 million, and which has perhaps prevented the increase of foreign currency by that amount. I refer to the policy in respect of barley sales into the eastern market. In the *Western Producer* or October 7 it is reported that Cargill Grain Company and the Palliser Wheat Growers' Association suggests that farmers should hold their barley off the open market, as selling prices will be much higher.

like the federal Liberals, seem totally unconcerned about the future or the well-being of the farm community. Having heard some of the speeches made by hon. members to my right, I am not convinced they are prepared to offer effective policies to help farmers in the uncertainties they face today. Simply providing advance payments to certain crop producers is not enough to alleviate those uncertainties. Adequate stabilization of farm income should be the first priority of the Minister of Agriculture. The same message should be passed along to hon. members to my right. They, in turn, could tell the provincial government of Ontario what is needed to help farmers.

I should like to reiterate a number of points which have been made by speakers before me of which I trust the minister has taken note. To begin with, there was little or no consultation with farm groups while this bill was in course of preparation. Then, again, the bill comes to us without the customary explanatory notes, so we are left up in the air in some respects. Further, I would ask the minister this question: When will payments be made? No dates are specified in the bill, and I would point out that payments made by government are invariably late—witness, for example, crop insurance payments.

I have another question: What happens to a producer if he has accepted a payment and fails to find a market for his produce? Neither the Liberals nor the Conservatives appear to be willing to endorse the provision of adequate marketing measures to ensure there will be a market for particular crops. Neither, it seems, is willing to institute a system whereby a fair price and a fair market are ensured.

In conclusion, let me say I am sure the ambiguities we find in the bill will be ironed out in committee. One may be forgiven for thinking that farmers generally are likely to be thankful for anything they can get. At the same time, the government should not delude itself into thinking that this bill alone will solve the many problems facing farmers. I congratulate the minister on having brought forward this measure. To date I have not received much reaction from the farmers in my community, but next week I intend to discuss the legislation with them to get their views. I hope their criticism will be constructive, and I undertake to pass it on to the minister.

The Acting Speaker (Mr. Ethier): The hon. member for Dauphin (Mr. Ritchie).

Some hon. Members: One o'clock!

Mr. Ritchie: May I call it one o'clock, Mr. Speaker?

At 12.55 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, when I called it one o'clock I was somewhat discomfited by the comment of the hon. member for Winnipeg North Centre (Mr. Knowles) that that was the best speech I had made. I should like to say that I hope to do a little better.

Mr. Knowles (Winnipeg North Centre): I think I said "the most effective".

Mr. Ritchie: I welcome the introduction of Bill C-2 which appears to provide a vehicle that might help producers of grain who find themselves in a position of oversupply, as some certainly will in the future. The introduction of this bill is an indication that the government anticipates surpluses building up in the very near future in various fields. We do not need to look too far ahead to anticipate severe build-ups of some of our export grain. As a matter of fact, this appears to have already occurred with wheat.

Before passing judgment on the feasibility of covering in this program much of our storing crops, as the minister calls them, I should like to hear from tthe minister a more detailed explanation of how the program will be administered. He mentioned that the Wheat Board has indicated a very low level of default and that the program showed a very small amount was not recovered. However, the minister, not being from western Canada, is perhaps unaware that the Wheat Board, through the permit system, has pretty well absolute control over the disposal of grain from the farm. A producer must register with the Wheat Board at the beginning of the crop year his acreage, and extensive aerial photography can easily disclose any discrepancy between what is actually under cultivation and what the Wheat Board permit indicates is being cultivated.

In this way any great discrepancy in acreage is fairly readily checked and at least gross excesses can be covered. As a matter of fact, it is illegal to sell wheat outside the jurisdiction of the Wheat Board in most instances, and indeed there are very few avenues for the sale of feed grains, oats and barley not covered by Wheat Board permits. About the only avenue is farm to farm sales, which usually are not in large quantities.

As the minister said, this bill covers many different products. Most are not under the rigid control that the Wheat Board exercises over the movement of western wheat, oats and barley. Therefore, I will be interested to hear from the minister in detail during committee stage how he intends to cope with many of these products, each with numerous marketing avenues in which growers may be very loosely organized through their growers associations. The minister mentioned the word "organizations" a good many times. For example, does he have reference to the Canadian Seed Growers Association, or the Canadian Forage growers; and how will he police this provision? I suggest it is a different matter from policing it under the auspices of the Wheat Board, with their rigid and far-reaching legal controls on grains.

There is also another effect that we have to consider, and that is, is this a back door to the industry for marketing boards and supply management? I think it is most important, wherever supply management or marketing board policies are introduced, that the producers be made fully aware of the consequences and that a plebiscite be held on whether or not

Advance Payments for Crops

	Fed*	NFD	N.S.	P.E.I.	N.B.*	Que.*	Ont.	Man.*	Sask.	Alta.	B.C.	NWT	Yuk.
1971	1897	N-A	952	50 app	677	5775	9152	995	864	4107	7953	79	N-A
1972	1678	N-A	1055	50 app	924	6129	11030*	1183	906	4457	9024	83	N-A
1973	2116	563	1365	50 app	1079	8460	12489*	1167	1191	N-A	9412	100	N-A
1974	2481	757	1574	235	1369	8907	15634*	1485	1441	5608*	9766	104	207*

N-A: Not Available.
*: Fiscal year from April 1, to March 31.

NOTE: Although statistics regarding federal incorporations have been maintained by the government of Canada, the Department of Consumer and Corporate Affairs had to rely on the provincial authorities for their individual statistical report on the number of incorporations granted within their jurisdiction for each year, from 1964 to 1974. Figures relate to the calendar year, except where otherwise indicated.

PUBLICATION "CONSERVATION CANADA"

Question No. 330—**Mr. Herbert:**

1. How many copies are printed of the publication *Conservation Canada*?

2. What is the cost per copy?

3. In the Autumn 1976 edition, what is the estimated cost saving if the format had been bilingual pages with only single reproduction of the photographs?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. 37,025 copies were printed of the most recent issue, Autumn 1976.

2. 25.3 cents per copy.

3. It is estimated that bilingual pages with only single reproduction of the photographs would result in an additional cost of three cents per copy. Such a format was used prior to June, 1976. Cost of printing at that time was 28 cents per copy.

[*English*]

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO FACILITATE MAKING ADVANCE PAYMENTS FOR CROPS

The House resumed, from Wednesday, October 27, consideration of the motion of Mr. Whelan that Bill C-2, to facilitate the making of advance payments for crops, be read the second time and referred to the Standing Committee on Agriculture.

[Mr. Abbott.]

Mr. Derek Blackburn (Brant): Mr. Speaker, I am going to speak very briefly. That is not because the bill is unimportant; It is extremely important. However, I am not able to be here this afternoon. We in this party believe that Bill C-2 is long overdue. The farmers of Ontario, eastern Canada and in some instances western Canada, have been waiting for as long as 18 years.

As the Minister of Agriculture (Mr. Whelan) said in the House on Wednesday, producers of wheat, oats and barley in Canadian Wheat Board designated areas have been able to receive advance payments for their crops since 1958. I might add that to the best of my knowledge it was the CCF government in Saskatchewan which pushed for this back in the fifties. Why have crop farmers had to wait 18 years to receive somewhat the same benefits? I hope other farm related legislation will not have to wait the same length of time to be introduced.

It was interesting to note that the Minister of Agriculture went on to discuss other programs which he claimed provided stability to farmers. Specifically, he referred to the Agricultural Stabilization Act. I remember, and farmers across the country also recall, the debate surrounding Bill C-50 in the first session of this parliament. That bill amended the act so that producers could receive 90 per cent of the last five-year average rather than 80 per cent of the last ten-year average. We argued then, and farmers since then have expressed their dissatisfaction with the fact that the Agricultural Stabilization Act as presently written does little or nothing to take into account present production costs. An historical average offers no price protection at all unless it is fully and fairly indexed to production costs.

As a brief aside, I would also like to comment on the remarks made by the hon. member for Elgin (Mr. Wise) in last Wednesday's debate. He suggested, and I agree, that Bill C-2 is simply piecemeal legislation which will not resolve the major problems of the farm community.

● (1250)

At the same time, I would be interested in hearing the hon. member's comments on the stabilization plan introduced by his colleagues at Queen's Park. The provincial plan is much along the lines of the federal plan in that it would provide minimum support for named commodities at 90 per cent of the average for the last five years. The provincial Conservatives,

raise questions in the House of Commons. Others of us have used different forums, which all members know exist in Ottawa, to make representations as members of parliament. The hon. member chooses one forum; we choose others. That does not say we are any less concerned or diligent in the efforts or representations we make on behalf of the people of Newfoundland with regard to this very vital issue, particularly on behalf of our fishermen. We are just as diligent. The facts will show that we are just as effective.

I say, Mr. Speaker, that aspersions like this should not be cast by the hon. member against those of us on this side of the House.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Mr. Speaker, I regret the hon. member for Grand Falls-White Bay-Labrador (Mr. Rompkey) has taken the time of the House on a matter about which he has demonstrated an unusual degree of sensitivity. I refer to the fact, and it is a fact, that the hon. member has been conspicuously quiet in this House since this matter was first raised, at the commencement of the year, as the first of four disasters we have had since January. What prompted my question today was an announcement made outside the House yesterday, on behalf of the government, by the hon. member for Grand Falls-White Bay-Labrador.

In view of repeated representations made in the House by members on this side, and in view of the fact that a petition was presented to the House with some 40,000 names on it, a unanimous resolution presented to the government by the Newfoundland legislature, and a very serious tragedy occurring last week in which 13 lives were lost, surely it is not too much to expect the government to make such an announcement in the House.

Mr. Speaker: Order, please. Both hon. members, for whose contribution I am grateful, realize, I am sure, that there is a difference between them that does not constitute a question of privilege.

Mr. Whelan: Mr. Speaker, I rise on a point of order. With regard to the question raised by the hon. member for Brome-Missisquoi (Mr. Grafftey), I want to make it clear that no plants are under detention. I did not want to create the impression that there are plants operating which do not meet our inspection criteria. Every plant in Canada under CBA inspection that is shipping beef is operating according to our rules and regulations. Consumers in Canada have the safest meat in the world.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

[*Translation*]

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 87, 284 and 330.

I beg, Mr. Speaker, that the other questions be allowed to stand.

[*Text*]

KEDCO PRODUCTS LIMITED

Question No. 87—**Mr. Cossitt:**

Did the Department of Consumer and Corporate Affairs communicate on June 21, 1976 through their Sherbrooke, Quebec Office with Kedco Products Limited, Box 340, Brockville, Ontario, entirely in the French language and, if so (a) for what reason was this document sent in French only to an English business operating in an almost entirely English speaking area (b) how is this consistent with the government's policy of ensuring that every citizen of Canada can expect communication with the government in the official language which is their mother tongue (c) will steps be taken to immediately rectify this situation by sending a similar document in the English language?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): On June 21, 1976, the Sherbrooke, P.Q. office of the Department of Consumer and Corporate Affairs forwarded a Notice for Trustee Discharge to Multi-Advertising Specialties, P.O. Box 94, Brockville, Ontario. This document was in the French language only and was relative to the bankruptcy of a Mr. Léo Bérubé, 209 Bellevue, Sherbrooke, P.Q. (a) It is by error that the document was sent in the French language only to an English business firm operating in Brockville, Ontario. (b) The original document relative to this bankruptcy was sent to Multi-Advertising Specialties in Brockville, on June 10, 1974 and was a bilingual notice of bankruptcy. (c) On July 15, 1976, an English version of the document sent on June 21, 1976 was forwarded to Multi-Advertising Specialties, P.O. Box 94, Brockville, Ontario.

INCORPORATIONS

Question No. 284—**Mr. Huntington:**

What was the total number of companies incorporated (a) federally (b) provincially in each year from 1964 to 1974?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): See following table.

	Fed*	NFD	N.S.	P.E.I.	N.B.*	Que.*	Ont.	Man.*	Sask.	Alta.	B.C.	NWT	Yuk.
1964	917	N-A	512	50 app	N-A	5739	6292*	N-A	903	2650*	4111	N-A	N-A
1965	897	N-A	562	50 app	414	5980	7276	1043	1085	2640	4646	N-A	N-A
1966	1018	N-A	524	50 app	N-A	5703	7309	907	984	2696	4746	N-A	N-A
1967	1085	N-A	487	50 app	N-A	5253	7425	887	912	2849	5080	N-A	N-A
1968	1207	N-A	681	50 app	N-A	5646	7699	893	1057	3373	6342	26	N-A
1969	1552	N-A	806	50 app	N-A	5626	9593	1117	1043	3838	7414	36	N-A
1970	1797	N-A	691	50 app	664	5754	8091	1110	742	3172	6406	59	N-A

parliamentary secretary to the House leader, followed the development of this issue as it arose from time to time. I was particularly attentive to replies made by parliamentary secretaries relating to information sought. I never heard any parliamentary secretary even attempt to announce a question of policy or attempt to reply to any question seeking information about government policy.

Mr. Baker (Grenville-Carleton): That is nonsense.

Mr. Blais: Mr. Speaker, if that is nonsense, I invite the opposition House leader to indicate where that has taken place.

Mr. Baker (Grenville-Carleton): I will.

Mr. Blais: Mr. Speaker, yesterday the hon. member for Yukon (Mr. Nielsen) in a question asked for information. He obtained that information.

Mr. Nielsen: No, I did not.

Mr. Blais: Perhaps he is not satisfied with the reply he obtained yesterday. He forgot to mention that the problem relating to Dorchester had been sorted out. Evidently, the precautions referred to yesterday by the parliamentary secretary had been taken. The result was that the hostage-taking incident was completely deflated.

Mr. Nielsen: But my question was not answered.

Mr. Blais: Mr. Speaker, I am serious about this matter. I am not trying to enter into a partisan political discussion.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Smile when you say that.

Mr. Blais: I readily accept the honourable effort the opposition House leader made to justify the position of the right hon. member for Prince Albert. I sympathise with the opposition House leader's attempt to defend a losing case. As a practising lawyer, I have often been in that position. It is a most frustrating and difficult experience. However, I think we are taking up valuable House time on a point sorted out on a number of occasions previously.

Mr. Speaker: Order, please. I have the matter under very careful consideration. Regrettably, one of the most interesting aspects of the question so far as the Chair is concerned is this: it is a well recognized principle of the operations of the House that although members of the House have the right to put questions during the question period, there is no corresponding obligation to answer. The failure to answer, or the quality of an answer has been ruled as not being a ground for a question of privilege. The quality of an answer, the failure to answer, the quality of performance—or content, if that is the right description—which may lead to any continued failure to make an answer are matters of long-time political responsibility, not technical responsibility, under the procedures of the House.

If, therefore, there is no obligation to answer questions put, it is difficult to say that a mere attempt to answer on the part of a parliamentary secretary, acting minister or another acting in his stead is not an adequate response when no response is required by the rules. That, to me, is an interesting procedural aspect of the matter which was not raised in today's discussion. In any case, to get back to the procedural point raised by the right hon. member for Prince Albert (Mr. Diefenbaker), obviously it is a matter of great concern. The Chair must always recognize that there are occasions when the niceties of procedure simply do not enable the rules exactly to fit the kinds of tensions and difficulties that can arise from the practices of this House.

● (1240)

While the technical requirements of a question of privilege may not apply to this particular situation, it is like others that arise from time to time when the intense interest in the debate at least signals to us that we have an area of deep concern which touches all members of the House and raises great concern on both sides in respect of the rights of members to seek information through the question period, which all defend as not only a vigorous exercise but one that sets us apart in terms of quality from some other parliaments of the world, and one about which we can be justifiably proud. Certainly, all of us want to do everything possible to ensure that the question period in this House of Commons continues to have the vitality for which it is famous. Therefore, the points that have been raised and discussed so vigorously are not lost.

Whether there is a procedural answer to the problem is very difficult for me to say. However, I do say to the House that I have no obligation to carry on in this matter because there is no motion associated with it. I do want to assure the House that I will continue my interest in these remarks today to see whether some solution can be found in the near future to clarify the status of parliamentary secretaries in this regard.

MR. ROMPKEY—REMARKS OF MR. McGRATH DURING QUESTION PERIOD

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I wish to raise a question of privilege. It arises out of remarks made by the hon. member for St. John's East (Mr. McGrath) during the question period with regard to search and rescue operations in Newfoundland. I wish to point out that there is more than one forum for making representations in Ottawa as a member of parliament. The hon. member may choose the forum of the House of Commons. That is a legitimate way to make representations. I give him full marks for the way he makes use of that forum: his constituents will, too. However, let him not give the impression that that is the only way in which a member of parliament makes representations.

We on this side have been diligent in making representations, even though they may be made in different ways. My colleague, the hon. member for Gander-Twillingate (Mr. Baker) is a parliamentary secretary and, therefore, is unable to

● (1230)

Mr. Erik Nielsen (Yukon): Mr. Speaker, I realize that the question raised affects the privileges of all members of the House. By coincidence or design, it affects my own personal privileges as they relate to the question I raised yesterday.

The deputy prime minister, the government House leader, has made a critical attack on the right hon. member for Prince Albert (Mr. Diefenbaker). I was a member of this House when my party was sitting on the government side, hon. members opposite were sitting on this side and the deputy prime minister was sitting in the opposition gallery. I can compare the conduct of the two ministries and say that there is no foundation for the attack by the government House leader on the right hon. gentleman from Prince Albert. I say that from my point of view.

Today, the government House leader convicted himself with the very words he uttered. He said that the Prime Minister (Mr. Trudeau) should not be burdened with questions, but that they should be directed to individual ministers or acting ministers. It has long been the custom and invariable practice in this House—and I am sure it still is—that when ministers are away, acting ministers are appointed. Yesterday I directed a question to the Prime Minister. My words will be found on page 538 of *Hansard* for yesterday. I directed a question to the Prime Minister, or to the acting solicitor general who was sitting in the House. The acting minister was the Minister of Indian Affairs and Northern Development (Mr. Allmand). My question concerned a life which was in danger in Dorchester penitentiary. I asked my question yesterday, Thursday, the day when there is normally a cabinet meeting in the morning. It would be a callous cabinet indeed which would not have discussed the danger of the situation in which a prison guard had been taken hostage. That knowledge was fixed in the minds of cabinet members, but not in the mind of the parliamentary secretary.

In our system, sir, where ministers of the Crown are accountable the principle of responsibility of ministers is paramount. Parliamentary secretaries are not accountable. They are not responsible for the actions of the government and they are certainly not privy to cabinet decisions. Therefore, they cannot answer properly and informatively questions such as the two I raised yesterday which were answered by the parliamentary secretary. Indeed, the very answers will disclose how irresponsible and non-accountable parliamentary secretaries are—and I do not say that in any denigrating sense in this case.

In substance, the parliamentary secretary responded to my questions by saying, "I can assure the hon. member that we are taking all necessary precautions." That, essentially, was his reply to my question concerning the Farris recommendations, or the inquiry into the riot involving the hostage-taking incident in the B.C. penitentiary which eventually resulted in the death of one of the hostages. I wanted to know if the policy of controlling the situation from Ottawa was being followed in the Dorchester incident, because Mr. Justice Farris had found that that control from Ottawa of the B.C. penitentiary situation was a major, contributing factor to that death. He felt that the responsibility should be left with the administration of the prison on the spot because the people who were there could see what was developing and deal with it. The parliamentary secretary answered my question by saying, in so many words, "I can assure the hon. member that we are taking all necessary precautions."

The acting solicitor general would have known if Ottawa was in control or if Dorchester was in control. The Prime Minister or any member of the cabinet would have known, the cabinet undoubtedly having discussed the matter at the regular Thursday morning cabinet meeting. It would be a callous cabinet that would not have discussed it. For those reasons, sir, I submit that the general question of privilege raised by the right hon. gentleman is valid and should be dealt with. My own question of privilege which is involved in this matter illustrates that the original question of privilege as raised has substance and should be dealt with. We should not have parliamentary secretaries who are not accountable or responsible for the ministry answering questions such as the ones I raised.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, my remarks will be brief. The question raised concerns the responsibilities of parliamentary secretaries in replying to questions. As the right hon. member for Prince Albert (Mr. Diefenbaker) indicated, previously he sponsored the Parliamentary Secretaries Act. He is on record as recognizing the right of parliamentary secretaries to reply to questions in the House, in accordance with section 3 of that bill which includes the following language:

> The parliamentary secretary . . .to a minister shall assist the minister in such manner as the minister directs.

It has been the practice of this House for ministers, when they are to be absent from the House, to direct parliamentary secretaries either to take notice of or reply to questions relating to information sought by members of the opposition. Yesterday, information was requested by way of a question. That information was supplied by the parliamentary secretary. No one denies that a parliamentary secretary cannot, in replying, state questions of policy. The President of the Privy Council (Mr. MacEachen) argued that in effect the parliamentary secretary represents in this House, in the absence of the minister, the minister who has responsibility for that particular department.

Mr. Baker (Grenville-Carleton): No.

Mr. Blais: The minister must accept responsibility relating to the administration of his department. Mr. Speaker, that has been the practice in the past and it has been accepted. The opposition House leader quoted the hon. member for St. Paul's (Mr. Roberts), as he then was; he is now Secretary of State. It is clearly indicated, according to the words quoted, that the parliamentary secretary has a responsibility within the confines of his minister's responsibility. Those are the responsibilities which a parliamentary secretary in this House has accepted. In the previous session of this parliament, I, as

Mr. Baker (Grenville-Carleton): I shall continue, Mr. Speaker. You must forgive me; it is sometimes too difficult to restrain myself. In any event, he is the heir apparent to that sagging carcass of a government over there. He had something to say in the same debate. He was a prestigious member of the government. This is what he said on the same subject as reported at page 1061 of *Hansard*:

> Then this whole question could be aired, as it should, because it involves the rights of private members who, despite the fact that they are appointed parliamentary secretaries, have no responsibility in the ministry, do not take that oath and owe responsibility to their ministers alone and to the Prime Minister.

They do not take the oath, Mr. Speaker. That is a vital difference.

An hon. Member: Wrong.

Mr. Baker (Grenville-Carleton): I refer to the cabinet oath. The right hon. member for Prince Albert was correct. I have here the report of the debate in this House on April 8, 1959, when the right hon. member participated on the question of establishing the position of parliamentary secretary. In answer to a question from the hon. member for Kootenay West in the course of the debate, the right hon. member, then prime minister, said:

> The hon. member for Kootenay West asked whether the parliamentary secretaries are to be given the status of junior ministers—

Not regular ministers, Mr. Speaker, but junior ministers, bearing in mind that in our system we have a single level of ministers. With respect to his intentions at that time, he said:

> —and without any qualification in this regard I say that they are not.

The facts are that under the Standing Orders of this House, in accordance with all parliamentary precedent that there is, in accordance with the report that was made years ago by Sir Grant Murray and referred to in the debate by the right hon. member for Prince Albert back in 1959, out of the mouth of the former member for Ottawa-Carleton, out of the mouth of the present Secretary of State in this government—such as it is—all those statements label as absolute trash and nonsense that which we just heard from the government House Leader.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I am very happy that the right hon. member for Prince Albert raised this question. It is a matter that has plagued this House—and the more ministers travel, and legitimately—

Mr. McGrath: The more ministers resign.

Mr. Baker (Grenville-Carleton): —the more ministers, by their responsibilities, are taken out of this House, the more important it is that members of the opposition, if they are to exercise their right in the question period, obtain authoritative answers from either an acting minister—not a parliamentary secretary—or from the head of government.

Some hon. Members: Hear, hear!

[Mr. Baker (Grenville-Carleton).]

Mr. MacEachen: No, sir; that would destroy our system for political purposes.

Mr. Baker (Grenville-Carleton): Having said that, Mr. Speaker, I add that there is some value and some problems attached to being a parliamentary secretary. My predecessor—and I believe Your Honour as well—has stated that they occupy a special position, and that is a position which deprives them of certain rights in the question period and certain access to the question period. That question has been debated in this House before. But, sir, when a prime minister asks a member to serve as a parliamentary secretary he gives him a choice, that is to either accept or reject. If he accepts, then he is bound by the strictures of the office. If he rejects, then he has all the freedom which the rules and traditions and you, sir, give to members.

That does not take away the clear delineation of responsibility, ministerial responsibility and collective ministerial responsibility. I think the right hon. member has raised an important matter and I am very happy to be associated with him in this debate. He was the instigator of this privilege to enable backbenchers to get some training. It does not lie in the mouth of any parliamentary secretary, any minister, any government House Leader or the government whip—who always has something lying in his mouth—to suggest that in order to provide a training ground for parliamentary secretaries they must step into an area where, by tradition, by practice, by precedent and all reasonable understanding of the parliamentary system, they have no right to be.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Yukon (Mr. Nielsen) has been endeavouring to get the floor. We are faced with two very serious difficulties. I think all hon. members realize that, first, the point was raised by the right hon. member for Prince Albert (Mr. Diefenbaker) as a question of privilege. The Chair is relieved of having to decide at the moment whether there is any validity to the question of privilege, because the right hon. member said he did not have any motion to conclude his remarks; therefore, no action is asked of the Chair.

We are having a very interesting discussion about the position of parliamentary secretaries. We are doing it, however, on what is now well recognized as a non-question of privilege which has no motion attached to it. It is, therefore, at least very difficult for the Chair to let it go on very long, and in any case it is difficult to take action on. Whether the question could be resolved now, or in some other way, I am not sure. Certainly, the debate is very enlightening; but I do not want to prolong it, on the basis that it is essentially a non-question of privilege.

The hon. member for Yukon has been seeking the floor, and if he has anything to add I would be very happy to hear him.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me that the principal participants in this discussion are more than able to look after their own interests in the debate, without support from either side, and I would appreciate being able to hear them.

Mr. Baker (Grenville-Carleton): I was just going to say, before those jackals went at us—

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): —that if it is the desire of the government leader in the House of Commons to give parliamentary secretaries a greater role in the work of this House, I suggest he should set a better example. He could set an example by referring directly to the question of privilege which was raised by the right hon. member for Prince Albert (Mr. Diefenbaker), rather than engaging in his own polemics with respect to a matter which is rather important to this House and which has been raised before.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I do not know whether it has occurred to the government House leader, but the Standing Orders of this House—which govern our proceedings—have something to say about the role of parliamentary secretaries in these proceedings. I shall refer to those rules because, the matter having been raised, I think it is important that it be settled. Standing Order 15(3), at page 10 of the Standing Orders, reads:

On statements by ministers, as listed in section (2) of this Standing Order, a minister of the Crown may make a short factual announcement or statement of government policy.

That Standing Order does not refer to parliamentary secretaries.

Mr. Blais: We are dealing with the question period.

Mr. Baker (Grenville-Carleton): Let me finish. Standing Order 39(5) of that rule reads as follows:

Before the orders of the day are proceeded with, questions on matters of urgency may be addressed orally to ministers of the Crown—

Again, not to parliamentary secretaries.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Proceeding to Standing Order 40(3), we read the following:

The member raising the matter may speak for not more than seven minutes.

This is where the parliamentary secretary is allowed to make a parliamentary response, in the adjournment debate, and that is the only place he is given authority, under our Standing Orders, to answer for anything, policy or otherwise, whether parliamentary secretaries like it or not. Standing Order 40(3) continues:

A minister of the Crown, or a parliamentary secretary speaking on behalf of a minister, if he wishes to do so, may speak for not more than three minutes.

That is what the Standing Orders say. The reason the parliamentary secretary is singled out particularly with respect to the adjournment debate is that that was the place where the Procedure and Organization Committee, in advancing these rules in the context of the law as it existed—as explained by the right hon. member for Prince Albert—determined parliamentary secretaries could take part in that capacity. The committee, having singled that out, it is my respectful submission that the omission with respect to other responsibilities is very clear: they have no responsibilities in those other areas. Why ought they not to? The right hon. member for Prince Albert referred to that, and other members who will speak will refer to it. But there is a very good reason, Mr. Speaker. One of the more distinguished members of the House of Commons who told us why parliamentary secretaries have no responsibility is the present Secretary of State (Mr. Roberts), at that time the hon. member for St. Paul's. On November 5, 1974, a question was raised in this House and the Secretary of State, who unfortunately is not here and perhaps could contribute to the further understanding of the point put forward by the government House Leader, said as reported at page 1062 of *Hansard*:

● (1220)

There is a difference between the position of a parliamentary secretary and that of a minister. Ministers are collectively responsible—

Not individually, as the government House Leader said, but collectively responsible.

—for the presentation of government policy and programs; they speak with many voices.

Of course, that is the problem with this government, Mr. Speaker; it speaks with many voices. He went on to say:

Parliamentary secretaries are not part of the government; they are not part of the collective responsibility of the government; they are not bound by the obligation to speak with a common voice, as are members of the cabinet. Governmental responsibility, in so far as it exists, exists within the confines of the responsibilities of the minister whose parliamentary secretary one is. Outside the bounds of that responsibility the parliamentary secretary does not participate, nor does he have special access to the decision-making process of government.

That is why we do not ask him questions, Mr. Speaker. He does not have access to the decision-making process of the government. The hon. member went on to say:

Within the bounds of their departmental activities they do not have that right—

Another distinguished member of the government who left to occupy the board rooms of Bay Street—the barefoot boy from Bay Street, the former member for Ottawa-Carleton—had something to say about that. You will recall him, Mr. Speaker: he is the one who suddenly found his tongue with respect to freedom of information at the Canadian Bar Association meeting.

Some hon. Members: Order!

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): He is the one, as well—

Some hon. Members: Order!

of Canada realized exactly the arrogance to which we are subjected.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I say, sir, that you, as the protector of the privileges of parliament, have a duty in this connection. I will not move a motion today; I will give consideration to it. But I hope the Prime Minister will not be cowardly enough to disappear again when a motion comes up.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I know that it has been the custom in the House to extend additional consideration to the right hon. member for Prince Albert (Mr. Diefenbaker).

Mr. Diefenbaker: Never, at any time.

Mr. MacEachen: But I believe it is really going too far to permit him, under the guise of a question of privilege or a point of order, to make a direct, personal attack on the Prime Minister (Mr. Trudeau).

Some hon. Members: Hear, hear!

Mr. MacEachen: I do not believe that, if he has the respect for parliament that he alleges he was, he would behave in this way, in the absence of the Prime Minister and on a matter in which he introduced all sorts of preliminaries. It is true that the Prime Minister had to leave the House. He had to leave the House to meet Cardinal Slipj, the primate of the Greek church—

Mr. Diefenbaker: He left because he was afraid.

Mr. MacEachen: —with whom he had an appointment at twelve o'clock.

Mr. Gillies: Which is more important?

• (1210)

Mr. MacEachen: I understand that Cardinal Slipj saw the right hon. gentleman from Prince Albert earlier in the week, and I am sure the right hon. gentleman was quite punctilious in keeping his appointment with this person.

Some hon. Members: Hear, hear!

Mr. MacEachen: We are accustomed to receiving these little homilies from the right hon. gentleman about parliament and how it ought to operate, but his views about the operation of parliament were fully disclosed when he was prime minister of Canada and attempted to bring under his own control all the aspects of government and failed to recognize the principle of ministerial responsibility.

Some hon. Members: Hear, hear!

Mr. MacEachen: I want to remind the right hon. gentleman and all hon. members of the House that when persons are sworn into the ministry under the principle of ministerial responsibility, those ministers—and not the Prime Minister—are responsible to the House of Commons for the administration of their portfolios. No prime minister, under the principle of ministerial responsibility, can substitute himself for a minister with respect to responsibility to the House of Commons.

Hon. members opposite have totally misunderstood that principle because they have increasingly attempted to ask the Prime Minister questions which ought properly to be directed to ministers who, under our system, are responsible to parliament. This is not the responsibility of the Prime Minister. The right hon. member for Prince Albert has never understood that—not today, and not when he was prime minister of Canada. But as government leader in the House I advise the Prime Minister to leave it to his ministers to answer questions in the House and, in the absence of a minister, to leave it to the acting minister or the parliamentary secretary to deal with these questions.

I believe it is an abuse of our system of ministerial responsibility to attempt to substitute the Prime Minister for every minister in the House and to make him responsible for every particular item which ought to be the responsibility of the minister concerned. As far as I am concerned, that is the philosophy I will support, with the Prime Minister, in his conduct in the House.

The right hon. gentleman said that he had asked the Prime Minister for an answer on a question of policy and the answer was given by the parliamentary secretary. With respect to parliamentary secretaries, I believe they ought to have a role in the House, and I believe that the right hon. gentleman ought to be among those in the House who would encourage parliamentary secretaries to participate and to gain experience in the House of Commons during the question period. However, he has conducted a vendetta, really, against parliamentary secretaries, and particularly against the present Minister of National Revenue (Miss Bégin) when she was parliamentary secretary to the secretary of state for external affairs.

If the right hon. gentleman expected an answer on a question of policy on the orders of the day, then, again, he misunderstands the rules of the House of Commons, because questions of policy are not to be answered in reply to questions on the orders of the day. Mr. Speaker, you have frequently ruled, and other Speakers before you have frequently ruled, that the question period is not an appropriate occasion to seek statements of policy from ministers.

Some hon. Members: Hear, hear!

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, the statement we have just heard from the government House leader is the worst pile of trash I have ever heard with respect to this important question.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): If it is his desire—

CENTRAL MORTGAGE AND HOUSING CORPORATION

REASON FOR DISCONTINUANCE OF LOANS TO NURSING HOMES

Mr. Stan Schellenberger (Wetaskiwin): My question is for the Minister of State for Urban Affairs. In view of the fact that CMHC is no longer lending moneys to organizations for the financing of nursing homes, and the construction of many of these facilities is being delayed or cancelled because of this fact, would the minister reconsider this policy?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, CMHC was never really in the business of lending funds for nursing homes. There were some extended facilities for senior citizens' housing projects. This has been suspended because a lot of that work comes under provincial ministries of health. We do work in close co-operation with them, however, and are reasonably flexible in extending our facilities to accommodate the residents. The difficulty we have is partially one of jurisdiction, but also of budgets. If we get into another area of health care in which we are not expert, we will not have funding for housing for many more senior citizens in this country.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. DIEFENBAKER—CONDUCT OF PRIME MINISTER DURING QUESTION PERIOD

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker—

Some hon. Members: Stick around, Pierre.

Mr. Diefenbaker: I want to deal with him, Mr. Speaker.

Some hon. Members: Don't go away, Pierre.

Some hon. Members: Shame.

Mr. Diefenbaker: I have been watching the Prime Minister in the last ten minutes or so and—

Some hon. Members: Order.

Mr. Diefenbaker: —his whole attitude implied that he realizes what he did here today. Instead of staying in the House, not having his canoe available he leaves the House because he realizes what he has done.

Some hon. Members: Order.

An hon. Member: You are wasting the time of the House.

Mr. Diefenbaker: Today I tried to ask a question that is of deep concern to Canadians everywhere, regarding the serious

situation in penal institutions in which inmates are taking it upon themselves to punish sexual wrong-doing as they see fit. They have their own set of values in this regard. I asked the Prime Minister a very simple question, namely, whether, having regard to what happened in Millhaven and the hostage occurrence in Dorchester, in the absence of the Solicitor General (Mr. Fox) he would direct or suggest that those who have committed sexual perversions should be placed in one institution where they will be away from the danger of kangaroo courts, and also have treatment available to them. This is a question that people across this country are asking.

What was the attitude of the Prime Minister of Canada (Mr. Trudeau). I have been here under three prime ministers, and I have never witnessed a more degrading and contemptuous attitude than the one he showed here today.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He turned around to a parliamentary secretary in order to reply to a responsible question from a member of this House of Commons.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I heard a "moo" over there, Mr. Speaker. It just shows the degree to which he and others over there are being cowed today. Parliament lives if respect is shown to it. There was no respect today on the part of the Prime Minister.

An hon. Member: So what's new?

Mr. Diefenbaker: As I have said before, I know something of the position of parliamentary secretaries. It was my government that brought in the legislation to provide for parliamentary secretaries being so designated, rather than as parliamentary assistants which was the previous designation to give them a position in the House. That was the reason for the change. A parliamentary secretary has no authority or right to answer on questions of policy, because he is not a member of the Privy Council or of the cabinet. However estimable are those who hold that position, they have certain duties that they can perform, but not to assume the position of a minister of the Crown. So far as the Prime Minister's attitude today is concerned, he will be applauded by his friend, Castro.

Some hon. Members: Oh, oh!

Mr. Lalonde: Even your colleagues are ashamed of that.

Mr. Diefenbaker: Never have I seen this House treated as contemptuously as we were by the Prime Minister today. We recall 1956, when those occupying the treasury benches followed a similar course—and we know what happened.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, I have risen on a question of privilege and I shall give consideration to making a motion. But when you have a Prime Minister who treats the House and members of parliament with that attitude, it is time the people

Oral Questions

LOTO CANADA

POSSIBILITY WINNING TICKETS NOT SOLD—GOVERNMENT ACTION TO ENSURE TICKET PURCHASERS OPPORTUNITY TO WIN

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the President of the Treasury Board who I believe answers for Loto Canada. In view of the revelation that three million dollar winning tickets in the olympic lottery were not sold, can a similar situation arise with regard to Loto Canada and is this in the spirit of the legislation?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, for some time yet Loto Canada will still be under my responsibility, the first drawing to take place in December. The point raised by the hon. member was very carefully considered by the Loto Canada Commission. Of course the problem of unsold tickets remains and we have to find an effective way of protecting ticket buyers, making sure that profits from such lotteries go to those who buy tickets. I will get the necessary information in order to give a precise answer to the hon. member, but I already talked with the head of Loto Canada, Mr. Cousineau, and he will give me his views about what should be done in case the minimum number of tickets to be sold is not reached.

* * *

[*English*]

INDUSTRY

TEXTILES—DATE OF ANNOUNCEMENT OF NEW POLICY—SHORT-TERM RELIEF MEASURES

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. It arises from the fact that, because of the government's failure to develop a long-term textile policy for Canada, one of the companies in my constituency has already been forced to close down part of its operations with a resulting loss of 25 to 30 jobs to the area. In view of the fact that, throughout Canada, many textile firms were enticed by the Pepin textile policy to open up plants in many small communities and are now facing such a critical situation that thousands of jobs may be lost, can the Minister of Industry, Trade and Commerce give the House a firm date for the announcement of a new textile policy and can he indicate whether he is contemplating any short-term relief for companies that are already being forced to lay off workers while they are waiting for the government's announcement?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member would read the few press releases that I have been publishing about that for some time, he would notice that I made drastic decisions to restrain imports in some areas where textile people asked me for some action.

[Mr. Basford.]

I met the textile industry advisory council and we discussed an approach to settle the problem. It is an extremely difficult issue. We cannot completely close our barriers in Canada because our country is exporting a lot of commodities. But in cases where it was obvious that we were flooded by foreign commodities, I have made at least one dozen decisions in the last five weeks, and I hope that the hon. member will take time to read press releases about this.

[*English*]

Mr. Beatty: Mr. Speaker, there seems to be no shortage of press releases coming out of the minister's office, but lay-offs are continuing to take place. May I ask the minister specifically when the new policy will be announced and whether he can give us a date for that at this time? Is he contemplating taking any further action between now and that time to stop the continuing lay-offs of workers as a result of the fact that the company's profitability is being badly damaged by the continuing imports.

Mr. Chrétien: Mr. Speaker, the hon. member should have read the statement I made. I imposed quotas on many products that were flooding the market. It was action rather than speeches and an attempt to develop policy that would take years. I just did what I had to do, that is all.

* * *

UNEMPLOYMENT INSURANCE

POSSIBLE EXTENSION OF BENEFITS TO ADOPTIVE PARENTS—GOVERNMENT POSITION

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. As the minister is probably aware most adopting agencies demand that one of the adoptive parents, usually the mother, take a period of time off work in order to give the new child the maximum possible care. While this condition is of obvious benefit to the child, it can and often does present a serious financial hardship to the parents, and indeed can be a disincentive to adopt. In order to overcome this and to help ensure care and attention to otherwise unwanted children, would the minister look into the feasibility of following the recommendation of the June policy statement of the Canadian Labour Congress and amend the Unemployment Insurance Act to have adoptive parents eligible to receive moneys similar to maternity benefits?

• (1200)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for her concern expressed both in the House and to me personally. I do not wish to raise any false hopes, so I think it would be more appropriate for me to say that no change is anticipated at present. I think the needs of the adoptive parents are indeed legitimate, but the unemployment insurance program is not, in my opinion, the proper vehicle to support incomes of parents who choose to adopt.

into the loss of 13 lives from the motor vessel *Gabriella* in light of charges made by the owners of this vessel that these lives were lost as a direct consequence of an inefficient response to the distress call, and that if helicopters had arrived on the scene sooner lives could have been saved.

● (1150)

Hon. Barney Danson (Acting Minister of National Defence): I really do not want to make any Gilbert and Sullivan opera out of anything as serious as this. Such an inquiry I understand has been instituted by the Minister of Transport. I, in my present acting position as Minister of National Defence, am deeply concerned as is the government where lives are at stake, whether they be Newfoundland lives or Dutch lives or anybody's lives, and we will continue to do our best; that is what the armed forces are doing now to see how we can reduce the response time.

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FISHERIES

CLOSING OF REDFISH FISHERY—ACTION TO PROTECT GROUNDFISH RESOURCES FOLLOWING PROCLAMATION OF 200-MILE ZONE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, yesterday I asked the Minister of Fisheries and the Environment if the redfish fishery in the Gulf of St. Lawrence was closed to everyone including boats of under 100 feet in length. He did not answer my question directly. I hope he will do so today. Second, in light of the fact that over-fishing in all ICNAF areas has reduced our ground fish resources to a point where Canada has sufficient catching capability to take care of the total allowable catch, based on 1976 figures, what steps is the minister taking to protect this resource in our 200-mile economic zone for Canadians and when can we expect an announcement of the quotas for all areas that will be made available effective January 1, 1977 for Canada's fishermen? Will he make this information available to the House.

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the quota for redfish in the Gulf of St. Lawrence, so far as I know, and I have not had a chance to check this again, is taken. The second question the hon. member raises is a very important one concerning whether or not there will be access to the Canadian 200-mile fishing zone in 1977 when the extension of jurisdiction takes place. It is a very simple posture to take, that there are no fish surplus to our needs, and therefore we should refuse access to all foreign nations. First of all, there are species which we hardly fish, which are surplus to our needs and they are competing with stocks which we want to preserve for the food of the ocean in the area. Second, if we want international co-operation outside of 200 miles where certain fisheries are important for our interests, it is very important that we have a co-operative approach with those foreign nations which could damage the Canadian fishery in the zone beyond 200 miles.

Mr. Crouse: Mr. Speaker, yesterday and again today I put a specific question to the minister. I asked him if the redfish fishery in the gulf is closed to everyone, including boats under 100 feet in length, and he still has not answered that question. I just want a simple yes or no answer, Mr. Speaker.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, the vessels over 100 feet in length were asked to leave the gulf some time ago in order to leave some fish available for those vessels which had no alternative. In fact, because of very heavy fishing by the large vessels during the first three months of 1976 the gulf problem was acute. Second, so far as I know the gulf fishery is closed for redfish. I said to the hon. member that I would check again and this I will do.

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ADMINISTRATION OF JUSTICE

CONCERN OF MUNICIPALITIES OVER PENALTIES IMPOSED FOR VANDALISM—GOVERNMENT ACTION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Justice. I should like to ask the minister what action if any, his department has taken in response to the countless recommendations made by the Canadian municipalities across Ontario in which they express their concern over the increase in vandalism and the punishment being handed down by the courts to offenders.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I am not sure I could point to very many specific recommendations which I have noted lately from municipalities in that regard. I have received a great number of representations from municipal councils about gun control of late to which I would like to respond. With regard to sentences meted out by magistrates and judges related to vandalism, I think it would be proper to suggest that the Attorney General of Ontario instruct his Crown counsel to seek appropriate sentences and to argue for appropriate sentences in the courts.

Mr. Scott: Mr. Speaker, I want to remind the minister that this is far removed from gun control. This protest was initiated by the town of Trenton and was mailed to all municipalities in the province of Ontario. It does not refer to gun control but rather to vandalism which is far removed from the use of guns. Has the minister taken any action in respect of vandalism and the laxity of the courts in dealing with offenders. This involves hundreds of thousands of dollars.

Mr. Basford: Well, Mr. Speaker, I think the Criminal Code provisions relating to vandalism are adequate. If there is a feeling that sentences being meted out are too low, the solution to that is for the Crown counsel who are Ontario Crown counsel to argue for higher sentences when someone is being prosecuted.

Oral Questions

AGRICULTURE

REASON MINISTER REFUSED TO PUBLISH REPORT ON UNSANITARY CONDITIONS IN MEAT PACKING PLANTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question, directed to the Minister of Agriculture, involves secrecy in government and the right of the consumer to be informed. The Minister of Agriculture was asked to make public certain information regarding unsanitary conditions in Canadian meat plants and he refused to do this. Why did he refuse to make public information relating to unsanitary conditions in Canadian meat plants when this information was obtained in the United States under their freedom of information act? Why did the minister take this course of action and can he assure the House that he will mend his ways in the future?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think that if the hon. member checks the information available in the United States he will find that the report of their inspection service was very limited. In conjunction with their veterinary inspection service we inspect our plants that export to the United States and we do the same thing in their plants. We have an agreement with them and we do not make anything public that they do not want made public. We are conducting negotiations with the United States at the present time.

Our own inspection service is a much more detailed service in Canadian plants. The other day I made a document public, covering the official information service in Canada, to CP and one of the other press associations, but I never saw anything reported about it in the papers. Whether they wanted to say that we were not releasing public documents or not, I do not know, but we are trying to develop a proper formula for making this information available which will not cost the public too much. If anyone wants a copy of the document they will have to pay the cost of it. As soon as it is published, we will make it public as soon as possible.

I want the hon. member to realize that we are making public some documents that can be made public at the present time. We have a long-standing arrangement with the people concerned that nothing should be done that is damaging to them. We have to make sure that the government will not be sued because some document may be released and a person's business destroyed overnight when something has already been rectified.

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CONSUMER AFFAIRS

REQUEST FOR ACTION TO ENSURE PUBLICATION OF REPORTS ON UNSANITARY CONDITIONS IN MEAT PACKING PLANTS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a supplementary question which I will now direct to the Minister of Consumer and Corporate Affairs. The facts are that there were unsanitary conditions in Canadian meat plants and the Minister of Agriculture refused to make this public in the interest of Canadian consumers. Will the Minister of Consumer and Corporate Affairs, in the interest of the Canadian public, which has a right to know, immediately contact his colleague the Minister of Agriculture to ensure that in the future the consumer will be protected and that this information, in spite of what is happening in the United States, will be made fully public?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not think I can wait till the end of the question period to speak to the minister. I will go over and speak to him right now.

Some hon. Members: Hear, hear!

* * *

SEARCH AND RESCUE

POSSIBLE DEPLOYMENT OF HELICOPTERS IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, now that we have had this display of cheap theatricals perhaps we can continue.

Some hon. Members: Oh, oh!

Mr. McGrath: I should like to ask a question of the Acting Minister of National Defence. Yesterday the hon. member for Grand Falls-White Bay-Labrador, who has been conspicuously silent on the issue of search and rescue, made a statement in Newfoundland to the effect that the Department of National Defence will be deploying search and rescue helicopters in the province at the week end. The news media have been unable to confirm that. Is it the intention of the government to so deploy helicopters to the province of Newfoundland, and when will those helicopters be put in place?

Hon. Barney Danson (Acting Minister of National Defence): First of all, Mr. Speaker, may I say that I am delighted to reply to a professional actor. My colleagues from Newfoundland particularly have spoken to me and my colleagues on a number of occasions about search and rescue needs and have shown intense interest in the matter in the place where it counts. I must say that no such announcement has been made by the government. So far as the Department of National Defence is concerned, we are looking at feasibility studies to see how we can best reduce our response time in this situation, which came to my attention at the time of the tragedy involving the *Gabriella*.

REQUEST FOR INQUIRY INTO LOSS OF LIFE RESULTING FROM ABANDONMENT OF "GABRIELLA"

Mr. James A. McGrath (St. John's East): Mr. Speaker, the minister has confirmed that he does not even rank as an amateur. Now that he has put on his usual little display in the House, I ask him whether he is now in a position, as one who aspires to be Minister of National Defence, to order an inquiry

consultation with Quebec manpower and immigration authorities?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, at first the movement was heading towards Montreal and the province of Quebec. From our experience in settling those people, we noted that Alberta, Saskatchewan and Manitoba offer more employment and housing opportunities. As concerns our activities related to immigration and our programs for refugees, we are still consulting the immigration service of Quebec. As to the procedures concerning the settlement of Chileans in Canada, the Quebec service never expressed its disagreement on this matter.

* * *

[*English*]

CANADA PENSION PLAN

PROPOSED AMENDMENT TO PENSION RIGHTS FOR WOMEN—ALLEGED OPPOSITION OF ONTARIO—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare—he seems to be engaged right now—regarding his premature announcement dealing with amendments to the Canada Pension Plan which seems to have placed him in a little difficulty. In the light of the objection by the Province of Ontario and, later, by the Ontario Status of Women Council, regarding this proposal, one which would give pension rights to the partner in a marriage who remains at home to raise children while the other partner works outside the home, is it the intention of the minister to abandon the course he has projected on the grounds of apparent inequities involving those who cannot afford to stay home and the subsidization of others who have a choice of entering the work force? In other words, his proposal would hit the poor who are least able to take advantage of such a policy. And, if not, how can he possibly proceed bearing in mind the veto power of the province?

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I regret to note how misinformed my hon. colleague seems to be on this matter and on the objective of this policy which aims at ensuring women greater economic opportunities in our society; it is endorsed by all the provinces, except Ontario which asked to study the matter further. Of course Ontario virtually has a right of veto under the Canada Pension Plan. However, I have the firm intention of bringing this proposal before the House, then it will be incumbent on the provinces to decide whether they want to endorse it or not. We committed ourselves very strongly and explicitly to the promotion of women's rights and we do not intend to backtrack in this regard.

● (1140)

[*English*]

Mr. Alexander: A supplementary question, Mr. Speaker. I may have been misinformed, but I want to indicate to the minister that the Ontario Status of Women Council believes that this is the wrong way to approach the matter. I wonder whether the minister has been advised of their objections and thinks that there is any merit in them inasmuch as there is a certain amount of inequity, because the poor will be hit very hard if the minister does intend to proceed. However, I do not think he can unless he has the approval of the provinces involved. Is he aware of the concern of women about this particular proposal of his?

Mr. Lalonde: Mr. Speaker, I shall have to repeat in English what I just said. I cannot understand how badly informed my colleague is as to the purpose and objective of this particular proposal. It is aimed at ensuring greater economic opportunities for women and the government is not going to backtrack on its commitment in this respect.

Some hon. Members: Hear, hear!

Mr. Lalonde: This particular proposition has the endorsation of all the provinces except Ontario, which wants to review the matter further. As far as the views of the Ontario council referred to are concerned, I hope that once it has discussed this matter with other advisory Councils across the country, it will also change its mind and not be purely inspired or advised on this subject by the Ontario government. I think it will realize that this amendment is really aimed at improving the lot of women in this country.

* * *

IMMIGRATION

STATUS OF WORKERS ALLEGEDLY IMPORTED BY OTTAWA "JOURNAL" FROM UNITED STATES—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of Manpower and Immigration. My question relates to the labour dispute at the Ottawa *Journal*. I recognize that labour relations in a case such as this come under provincial jurisdiction, but in view of reports that certain persons have been brought in from the United States to operate some of the equipment in the plant of the Ottawa *Journal* would the minister in charge of immigration look into the matter and ascertain whether work permits have been given to these individuals, and if so, why?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, first of all I will check it out to see if it is true, and if it is true we will check them out.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Would it be possible, Mr. Speaker, to get order over there among that orchestration of howlers who make no contribution other than by interference?

* * *

PUBLIC SERVICE

POSSIBILITY OF STRIKE BY PRISON GUARDS—GOVERNMENT ACTION TO PROVIDE SECURITY

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the President of the Treasury Board on a related subject. Will he inform the House as to the status of negotiations with the Public Service Alliance of Canada with respect to the negotiations—

Mr. Diefenbaker: Cheap contempt of this parliament!

Some hon. Members: Oh!

Mr. Nielsen: Could the minister enlighten the House as to the status of the negotiations between the Government of Canada and the PSAC negotiating on behalf of the prison guards and inform the House whether a strike of prison guards is imminent, as reported in this morning's media?

Hon. Robert K. Andras (President of the Treasury Board): I am in the process of getting the most recent information available and I shall try to pass it on to the hon. member on Monday.

An hon. Member: It may be a little late by then.

Mr. Nielsen: Can the minister tell us whether any provisional plans are now being made, in view of the imminence of a strike by the PSAC, to provide for the security of the penal system in Canada should the guards actually go off duty?

Mr. Andras: I should like to include a response to that question in my answer on Monday.

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SUPPLY AND SERVICES

REQUEST MINISTER TABLE LETTER TO PRESIDENT OF TREASURY BOARD CONCERNING LONG-RANGE PATROL AIRCRAFT CONTRACT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, I should like to ask the Minister of Supply and Services a question about government aircraft contracts. On March 1, 1976 the hon. gentleman wrote a letter on the subject of his knowledge and recommendations with respect to the LRPA contract to the then president of the treasury board. Would he table this letter?

[Mr. Diefenbaker.]

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I will examine the document but I do not know whether or not I can do that now.

[*English*]

NORTHROP CONTRACT—AUTHORIZATION FOR PAYMENT OF OUT-OF-COURT SETTLEMENT

Mr. Allan B. McKinnon (Victoria): I should like to direct a supplementary question to the same minister concerning the Northrop contract. Bearing in mind the restrictions imposed by the Financial Administration Act, will the minister tell the House by what authority various government departments and the government-owned company of Canadair were authorized to pay a figure in excess of $9 million in an out-of-court settlement to the Northrop Corporation last July?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, first I would like to correct the hon. member's statements. We did not pay $9 million in damages to the Northrop Corporation. We handed over about $6 million that we were holding back. Therefore the amount of damages is not $9 million. Besides, it followed a recommendation from the Department of Justice and a decision of the Treasury Board.

[*English*]

Mr. McKinnon: Can the minister further enlighten the House as to the selection of the donors of this $6 million among the various government departments and Canadair? Was their respective liability decided on the principle of "each according to its means" or of "each according to its culpability"?

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Goyer: Mr. Speaker, that six million dollars, as I said earlier the $6 million was money which was being held back on the contract pending settlement in court or between lawyers. It was the money that was held by the Canadian Commercial Corporation.

* * *

IMMIGRATION

INQUIRY WHETHER CHILEAN IMMIGRANTS DIRECTED TO WESTERN CANADA—CONSULTATION WITH QUEBEC

Mr. Louis Duclos (Montmorency): Mr. Speaker, I wish to ask a question of the Minister of Manpower and Immigration.

Could the minister tell the House, first, why does his department automatically direct to western Canada the immigrants from Chile, even though they could easily learn French and, consequently, improve the linguistic balance of the country if they could settle in the province of Quebec; and, second, could he indicate whether such a policy was developed after

the Atlantic region. We hope we will be able to do it. However, we cannot at the same time do this, build up the infrastructure and help all the small industries which also expect our consideration and support.

We would very much like to be able to achieve all this simultaneously.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

POSSIBILITY OF INCREASED CO-OPERATION WITH JAPAN FOLLOWING PRIME MINISTER'S VISIT

Mr. Frank Maine (Wellington): Mr. Speaker, my question is for the Prime Minister. With regard to his visit to Japan, did any discussions or negotiations result in further advancements in the area of science and technology with respect to exchanges of information, people or programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the economic framework which was agreed to by both countries, there is a provision for exchanges of technology, also for joint ventures, particularly where technology is important. Of course, we did discuss particular applications of technology, either by way of interesting the Japanese in the continuing development of the tar sands—

Some hon. Members: Order.

Mr. Trudeau: —or—

An hon. Member: Address the Chair.

Mr. Trudeau: —CANDU—

Some hon. Members: Order.

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INDUSTRY

TOHO LEAD AND ZINC REFINERY—POSSIBILITY OF CLOSURE AND RESULTANT LOSS OF EXPORT TRADE—GOVERNMENT ACTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Prime Minister. Did the Prime Minister or his officials have talks while in Japan regarding the possible closure of the Toho Lead and Zinc Refinery as a result of a strike of miners at Cyprus-Anvil Mine in the Yukon arising from a ruling by the administrator of the Anti-Inflation Board rolling back a previous decision of the board? Since 65 per cent of the refinery's total supplies come from Cyprus-Anvil, is Canada likely to lose this export trade?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

• (1130)

Mr. Neil: Since Toho has advised that it will either have to close its mine or get low grade ore from Australia or the United States, would the Prime Minister intervene in order that a more realistic settlement might be arrived at so that the miners may go back to work enabling the mine to resume production to the benefit of our export trade in lead and zinc?

Mr. Trudeau: I find it a little extraordinary that the hon. member should be suggesting to me that the ruling of the AIB and the Administrator should not be upheld.

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PENITENTIARIES

SUGGESTION SEX OFFENDERS BE PLACED IN SEPARATE INSTITUTIONS—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in the absence of the Solicitor General may I direct my question to the Prime Minister? It has to do with the recent murder, in one penitentiary, of a prisoner who had been convicted of sexual offences and also with the holding as hostage of a man from Saskatoon who was responsible for the diabolical murder of four children. There appears to be general feeling in the penal institutions that individuals who commit such sexual offences are anathema to the general run of inmates, and I am wondering whether or not the Prime Minister would give consideration to ensuring that sex offenders such as those I have mentioned are placed in a separate institution so as to remove them from the danger of lynch law or kangaroo courts, however understandable the revulsion other prisoners may feel with respect to their offences, thus enabling treatment to be given more easily to this group of individuals who sooner or later will be released and who, in the absence of treatment are likely to constitute a continued threat to society.

Mr. Art Lee (Parliamentary Secretary to the Solicitor General): I should like to advise the right hon. gentleman that I shall be glad to bring his representation to the attention of my minister when he returns next week. With respect to the prisoner involved in the Ontario prison, Mr. Hardy, he was offered segregation but he had refused it.

Mr. Diefenbaker: Mr. Speaker, I directed my question to the Prime Minister, not to a parliamentary secretary—

Some hon. Members: Oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —who, however estimable, has no responsibility and cannot speak with authority on these matters. I directed a serious question to the Prime Minister and he brushed it aside by turning it over to a parliamentary assistant. I resent this intrusion.

Some hon. Members: Hear, hear!

list of the gifts the Prime Minister had taken to Cuba and Venezuela and a list of the gifts he brought back. That question was not answered.

Mr. Paproski: The government gave two DC-8s.

Mr. Reynolds: I also want to know the cost of the gifts he took, and the cost of the ones he received. The Prime Minister's office refused to answer the question. Now that the Prime Minister has returned to the country, I wonder if he can assure me that if I put my question back on the order paper, his office will answer as to the cost of the gifts he took on his South American tour and the cost of the gifts he received.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not remember the answer; I probably saw the question if it was placed on the order paper. I would imagine that it is a question of common civility and courtesy. You do not reveal the price of gifts that you receive from another.

Mr. Paproski: There were two DC-8s, for some Cuban cigars.

Some hon. Members: Oh, oh!

Mr. Chrétien: That was a cheap shot.

Mr. Trudeau: Mr. Speaker, perhaps it is futile to talk of common courtesy to hon. members opposite.

Mr. Reynolds: A supplementary question, Mr. Speaker. In view of the answer the Prime Minister just gave me, I wonder if he can explain what he meant in the throne speech debate when he talked about the freedom of information act.

* * *

REGIONAL ECONOMIC EXPANSION

DISCUSSIONS BETWEEN MINISTER AND ATLANTIC PROVINCES ECONOMIC COUNCIL ON EFFECTIVENESS OF DEPARTMENT'S ACTIONS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. It has to do with the meetings this week in Halifax of the Atlantic Provinces Economic Council, meetings which the minister attended. I am sure he heard there, and saw reported in the press, numerous comments with respect to the situation concerning the capability of DREE to increase the productive capability of the Atlantic provinces. I am thinking particularly in terms of the increasing decline in expenditures made under the Regional Development Incentives Act. Since suggestions were made about the way in which the Act is being administered and about the amount of money being expended under the Act, can the minister say if he held conversations, there, with APEC officials, or reached conclusions either in terms of amendments to the Act or in terms of the decreasing amounts of money spent since 1970?

[Mr. Reynolds.]

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, indeed I had an excellent meeting during my visit to Halifax early this week and I would like to advise the hon. member that he should not rely entirely on press reports to judge the department's efficiency. Of course, critics were made concerning the Department of Regional Economic Expansion's programs, particularly the business assistance program. But, on the whole, the conference yielded positive results and some excellent suggestions were made. I shall consider them and act on them.

But I must insist that, when the hon. member suggests an increased decline in expenditures in the Atlantic provinces, he is wrong. As a matter of fact, we are receiving less money directly under the industry incentive program. This is due to the state of the economy in Canada in general and in the Atlantic provinces in particular, in connection with the manufacturing industry.

On the other hand, I can say that our activities within the general development agreements, whereby investments are made in the future of these provinces and the development of their resources, have resulted in expenses which have considerably increased over the past few years, and hopefully we shall be able to keep on increasing our expenses and investments in these areas. This is the result of long term planning which, I feel, is in direct response to the ideas and opinions put forward by APEC, many other organizations, hon. members of the opposition in the House and hon. members of the government's side. We are involved in long term planning. We shall certainly witness the results in a couple of years.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, since, as the minister well knows, four-fifths of the expenditures under his department in the Atlantic region are directed toward infrastructure and not toward regional development incentives programs and since it has recently been suggested by the Council of Ministers of the European Economic Commission that they should relate any infrastructure expenditures under their domain within a two-year time frame to some productive side in terms of industrial expansion, can the minister indicate whether any serious consideration is being given to re-ordering the priorities in view of the very serious and increasing problem of unemployment throughout the whole of the Atlantic region.

[*Translation*]

Mr. Lessard: Mr. Speaker, we are very concerned with this situation and with the need to create long lasting jobs to industrialize the Atlantic provinces.

It is clear that our efforts in relation with the infrastructure are precisely aimed at creating conditions in the Atlantic provinces which will make it easier to attract more investments in the manufacturing and industrial areas.

We now have projects under study. Some are already known to the public, others are not but will probably get known. But as I said earlier we can face up to large industrial projects in

Hon. John C. Munro (Minister of Labour): Mr. Speaker, I am sure the hon. member would agree with me that as an elected member of parliament he perceives himself as representative of the people in his constituency and that includes organized workers. We perceive ourselves in the same role. We want very much the co-operation of the labour movement and the business community. Many of the proposals have such intrinsic merit on their own, however, that it would be our job, I hope with the co-operation of the opposition, to see many of those initiatives undertaken as soon as possible.

Mr. Baker (Grenville-Carleton): Mr. Speaker, one of the problems with the minister is that he does not represent the constituency that his portfolio indicates he represents. That is one of the difficulties with the minister. The minister expressed confidence that labour will return to that council which they left recently. I wonder if he would outline his reasons for that confidence, especially in view of the fact that the Canadian Labour Congress has not even answered his invitation. How can he be confident of that?

Mr. Munro (Hamilton East): Mr. Speaker, to be Minister of Labour one has to be an optimist and I am an optimist.

* * *

EXTERNAL AFFAIRS

TRANSKEI—POSSIBILITY OF RESERVATIONS ON UNITED NATIONS VOTE REPUDIATING INDEPENDENCE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address a question to the Acting Secretary of State for External Affairs who was the former secretary of state for external affairs so I welcome him even temporarily, back to his former position. In view of the fact—which I am very pleased to note—that Canada joined all nations of the United Nations except the United States in repudiating the so-called independence of the Transkei—

Mr. Munro (Esquimalt-Saanich): Oh, come on! Oh, what nonsense!

Mr. Brewin: What nonsense? It is certainly a fact whether you like it or not. I should like to ask whether Canada presented some reservation of that vote and what was the nature of the reservation?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): Mr. Speaker, as the hon. member pointed out, Canada has opposed this particular form of political cosmetic as a way of dealing with the problems in South Africa. On the question of the reservation made at the United Nations, however, I have not been able to get the necessary information since I received notice of the hon. member's intention to ask this question. I shall get the full information for him, however, and either transmit it to him personally or in the House at the first opportunity.

• (1120)

REQUEST FOR ASSURANCE CANADA WILL NOT DEAL WITH TRANSKEI

Mr. Andrew Brewin (Greenwood): Mr. Speaker, would the Acting Secretary of State for External Affairs assure the House, since the so-called independence has been described by the World Council of Churches as a patent fraud and it has now been repudiated almost unanimously by the United Nations, that Canada will not officially deal with the organization which has been so repudiated?

Hon. Allan J. MacEachen (Acting Secretary of State for External Affairs): Mr. Speaker, that follows conclusively from thee position Canada has taken on this matter. We will avoid any possible activity which would confer any validity upon this so-called political development, or this so-called political improvement.

* * *

ENERGY

OIL—GOVERNMENT ACTION TO DEAL WITH POSSIBLE INCREASE IN WORLD PRICE

Mr. James Gillies (Don Valley): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources may I direct my question to the Prime Minister? It has to do with reports in the press that the world price of oil as posted by OPEC countries will probably rise between 15 per cent and 20 per cent. I hope the Prime Minister will not reply that the question is hypothetical, because I am talking about the prospect of this happening. My question is this. Given the fact that the government sets the domestic price of oil in this country, what plans has the government in mind to accommodate an increase of this dimension in the world price of oil in the domestic price level?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that there is an agreement between the provinces of Canada and the federal government on a two-phase increase in price. The second phase is beginning on January 1. If we have to accommodate to higher world prices, we will reiterate our policy of tending toward the world price in Canada, and we shall have to have another meeting between the provinces and the federal government to arrive at another agreement.

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PRIME MINISTER'S OFFICE

INQUIRY AS TO COST OF GIFTS TAKEN TO AND RECEIVED FROM CUBA AND VENEZUELA

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is for the Prime Minister. It concerns the answer I got this week to a question I had put on the order paper on October 14. In my order paper question I asked for a

I therefore move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House unanimously agree to proceed with the report stage and third reading of Bill C-83 as soon as possible.

Mr. Speaker: Order, please. Such a motion can be presented, pursuant to Standing Order 43, only with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

REQUEST FOR DEBATE ON IMPORT QUOTAS FOR BEEF AND VEAL—MOTION UNDER S.O. 43

Mr. Arnold Malone (Battle River): Mr. Speaker, I rise to move a motion of urgent and pressing necessity. In view of the fact that the policy pronouncements of the Minister of Agriculture (Mr. Whelan) respecting import quotas were both too liberal and too short term, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Agriculture arrange before November 10, 1976 for a full day of debate on new policy directions respecting the importing and exporting of beef and veal.

Mr. Speaker: Order, please. Such a motion, pursuant to Standing Order 43, can be presented only with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

GOVERNMENT EFFORTS TO SECURE CO-OPERATION OF THOSE CONCERNED WITH PROGRAM FOR LABOUR

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Labour. In the throne speech the government conceded that successful economic measures demand co-operation between governments, workers and so forth, and to that end the government will launch a major series of consultations. When the minister made a speech yesterday in Montreal to the International Federation of Chemical and General Workers' Union, he delivered a stern warning. Was he indicating in that speech an apparent readiness to proceed without the support of organized labour, contrary to the loftier rhetoric of the throne speech?

[Mr. Milne.]

Hon. John C. Munro (Minister of Labour): Mr. Speaker, what I was indicating was that there are many initiatives in the fourteen point program we have which have such outstanding merit in terms of being for the benefit of organized and unorganized workers in this country that if we do not achieve co-operation from those who represent labour and from spokesmen for the unorganized, then we would have to proceed anyhow because I believe the program to be to the benefit of all the workers of this country. That does not mean I am not hoping to obtain the co-operation of labour. I—and indeed, the government—do hope to obtain it.

Mr. Muir: The throne speech talks about co-operation with workers, so are we going to carry on this policy of confrontation with workers, whether organized or unorganized? Since the people, who now represent by votes 2.2 million workers, do not apparently get along with the government, is the minister looking for others who are more likeable, and if so, is the government going to decide who should represent whom?

Mr. Munro (Hamilton East): No, Mr. Speaker. I can allay the hon. member's fears. I am still endeavouring to obtain the co-operation of the labour movement. I have been talking at least unofficially with various leaders in order to obtain that co-operation. There is no doubt that it would be far more effective and speedier if we could open up as quickly as possible, now that the protest is over, some useful consultation and we are endeavouring to do that.

Mr. Muir: A supplementary question, Mr. Speaker. In view of the minister's strong words in Montreal and since the minister has said he will not be deterred by business or labour opposition, may I ask if the government is going to set up a tripartite effort by unionizing their hacks in Ottawa and then sitting down with their bagmen from Toronto to solve the problem?

Mr. Munro (Hamilton East): Mr. Speaker, I do not know to whose bagmen the hon. member refers.

METHOD OF ESTABLISHING TRIPARTITE COMMITTEES TO DEAL WITH PROGRAM FOR LABOUR

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I can hardly believe that of the hon. Minister and I should like to put a further question to him. Following the questions asked of the first minister, concerning the speech, the minister indicated that the details of the 14 point program he referred to—for which he has almost broken his arm patting himself on the back—he said that the elaboration of the program would be left to tripartite committees. This is what he said. I wonder how the minister intends to come to this elaboration and fleshing out by tripartite committees if labour does not join to make up the parties. What does he intend to do? Is he going to make an end run around the leadership of organized labour in Canada? Is he going to deal with someone else or how is he going to do it?

HOUSE OF COMMONS

Friday, October 29, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

DELAY IN SUPPLYING SWINE INFLUENZA VACCINE—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that this government has so badly mismanaged the supply of swine flu vaccine to provincial health departments as to render a mass vaccination program extremely difficult at this date, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That this House express its displeasure at the large waste of public resources entailed by the failure of the government to supply A/New Jersey '76 vaccine to the provinces for delivery in mid-September as originally promised by the Minister of National Health and Welfare.

Mr. Speaker: Such a motion pursuant to Standing Order 43 requires the unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ANTI-INFLATION BOARD

SUGGEST REVIEW OF BOARD'S DECISION ON TEACHERS' SALARIES IN BRITISH COLUMBIA—MOTION UNDER S.O. 43

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I rise under the provisions of Standing Order 43 on a question of urgent and pressing necessity. As the majority of the Anti-Inflation Board's decisions concerning the legally binding teachers' salary agreements arbitrated in British Columbia in 1975 have been handed down, and as the AIB has ordered the school boards and teachers' associations of British Columbia to renegotiate the 1976 agreements, something that cannot legally be done, thus creating chaos in British Columbia's educational system, I move, seconded by the hon. member for Vancouver Quadra (Mr. Clarke):

● (1110)

That this House urge the Minister of Finance to order a review of these decisions.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDUSTRY

SUGGESTED STUDY OF EFFECT OF CLOSING LINERBOARD MILL AT STEPHENVILLE, NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the threat of closure of Labrador Linerboard Mill in Stephenville, Newfoundland next year threatens the livelihood of some 1,000 citizens both in the plant and in woodcutting operations, but more particularly it will affect the economic and social structure of that part of the province.

I therefore move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That the matter be the subject of immediate priority of the Department of Manpower and Immigration, the Department of Industry, Trade and Commerce and the Department of Regional Economic Expansion to determine the alternatives necessary to revitalize the operation of the mill, and that immediate discussion be initiated with the province of Newfoundland to assist in alternative planning.

Mr. Speaker: Order, please. Such a motion can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CRIMINAL CODE

PROPOSED REINSTATEMENT OF BILL C-83 TO DEAL WITH GUN CONTROL—MOTION UNDER S.O. 43

Mr. Ross Milne (Peel-Dufferin-Simcoe): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Hon. members will be aware of a tragic shooting in Brampton earlier this week where there were two murders and one suicide. This was the second tragedy in this city in recent months, and this particular one was caused by a person who had purchased a high powered rifle immediately before the act, allegedly specifically to commit the act.

Mr. Speaker, if parliament is to regain effective control of government spending then the practices that Mr. Henderson described must stop immediately. I am here tonight in an attempt to find out what the government's intentions are with regard to the office of the Auditor General and government spending. To allow a continuation of government spending without complete details beforehand would be tantamount to giving a blessing to continued uncontrolled government spending.

For the record, Mr. Speaker, I should like to make mention of the fact that in its references to the Auditor General there is no mention whatsoever of Crown corporations and how the government intends to bring about more effective control within these corporations. Air Canada is a prime example of a Crown corporation which is plagued by poor financial administration, and incidentally is audited by a private firm on contract with the government. When one takes into consideration that there are eight Crown corporations and public instrumentalities of which the Auditor General is neither the auditor nor joint auditor, then, Mr. Speaker, I say that the government is abrogating its responsibility and should take the necessary action to rectify the situation.

The government has a moral obligation to the people of Canada to deal effectively with the financial fiasco it has created. When the Auditor General stated that the present state of financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness, I am sure that he expected action from the government to change this state of affairs. Furthermore, Mr. Speaker, in replying to a question from the chairman of the Public Accounts Committee as to whether or not the Auditor General could assure parliament that the financial statements of the government are accurate, the Auditor General replied:

> We feel very strongly about the fact that unless the systems are corrected the day may well come when I cannot give a clear certificate on the accounts of Canada.

● (2210)

With that statement in mind I can only re-emphasize my earlier comments that the government should make clear its intentions with regard to the office of the Auditor General.

Mr. Jacques-L. Trudel (Parliamentary Secretary to the President of the Treasury Board): Mr. Speaker, the hon. member for Winnipeg South Centre (Mr. McKenzie) has expressed concern about this matter on several occasions. He raised it in the debate on the Speech from the Throne. He also asked a question on October 25 which the minister answered and, within the format at that particular time, stated that there would be legislation. I should like to reiterate his comments dealing with the implementation of the Wilson Committee recommendations when he stated that a new auditor general's act will be tabled in the House very shortly.

The legislation has now been drafted after very careful consideration of each of the recommendations contained in the report of the Wilson Committee. Some of the proposals contained in the report are complex, and required extensive consultation among the parties involved, including the Auditor General of Canada. I can assure the hon. member that the legislation will clarify the duties and responsibilities of that officer of Parliament and will provide him with a better means of fulfilling his important function.

I am happy to say that the legislation fully reflects the spirit of the Wilson Committee report and that the consultations that I have mentioned have produced what are felt to be significant contributions to the quality of the legislation. I am convinced that, following the parliamentary review of this bill—and I hope the hon. member will participate—all members will agree that we will have the most modern and comprehensive law concerning the role and responsibility of a parliamentary auditor which is in existence anywhere. In conclusion, Mr. Speaker, since I have mentioned that the legislation will shortly be presented to the House, I am sure you will agree that further discussion of the details of the new act should be deferred until that time.

Motion agreed to and the House adjourned at 10.15 p.m.

availability of the proper vaccine for adequate protection of the Canadian population against influenza.

We appreciate very much the presence in the Chamber at this late hour of the Minister of National Health and Welfare (Mr. Lalonde). I am sure he will shed some light on this subject.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to thank the hon. member for Parkdale (Mr. Haidasz) for giving us an opportunity to discuss this subject. I wish that he, as an able medical doctor, had been consulted by the CBC in which case the corporation might not have included an irresponsible statement in its program on the subject last Monday.

This afternoon I tabled the most recent report of the National Advisory Committee on Immunizing Agents. These recommendations relate to the 1976-77 influenza immunization program, and I have accepted them in their entirety. They have been transmitted to the provincial ministers of health for their information and I have expressed my hope the provinces will look upon the committee's recommendations with favor.

It will be noted that the recommendations are substantially the same as those presented following the committee's meeting in June. The only essential differences are specific recommendations for the use of bivalent vaccine in children suffering from chronic neuromuscular disorders, cancer, and conditions involving biological defence mechanisms. While routine vaccination of school children is not recommended, special formulations of the vaccines are being prepared for those under twenty years of age with specific chronic illnesses. In reviewing its recommendations the committee endorsed the utilization of vaccine, both bivalent and monovalent, as supplies become available. The committee gave due consideration to alternatives to its recommended program, especially the question of stockpiling monovalent A/New Jersey vaccine and its utilization if further evidence of "swine influenza" activity became available.

The committee did not consider stockpiling to be a viable option for a variety of reasons: first, because influenza caused by a new virus spreads throughout the population with great rapidity and the possibility of receiving a sufficiently early warning by the isolation of virus from the first case is very remote. Secondly, laboratory identification of the virus takes a minimum of ten days and further time will elapse to investigate the case in order to ensure that it has been spread from person to person. A third important factor is that it has been estimated a minimum time lag of five to eight weeks is likely after a decision to mobilize stockpiled vaccine before the vaccine can be administered to all those wishing to receive it and they have had time to develop protective levels of antibody.

All lots of influenza vaccine sold in Canada must be approved by the health protection branch on a lot by lot basis. No lot will be released unless it meets the high Canadian standards required of all vaccines. I can assure all hon. members that there will be no weakening of these standards. The first lots of vaccine were approved for distribution today.

[Mr. Haidasz.]

AUDITOR GENERAL—IMPLEMENTATION OF RECOMMENDATIONS OF INDEPENDENT REVIEW COMMITTEE—GOVERNMENT POSITION

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, during the course of my remarks in the debate on the Speech from the Throne I stated that I had serious reservations about the section in the Speech from the Throne having reference to the Auditor General. The Liberal government has all too often in the past totally ignored the recommendations of the Auditor General and continued on its spending binge. We on this side of the House have advocated the strengthening of the office of the Auditor General for quite some time; however, to date little action has been taken. Now that the government is devoid of any new ideas it is blatantly embracing a Progressive Conservative policy when it promises the following in the throne speech:

> You will be asked to consider a bill designed to clarify the duties and responsibilities of the Auditor General of Canada, and to provide him with better means of fulfilling his important function as a servant of parliament.

Naturally, Mr. Speaker, we hope that its intentions are sincere. However, when I asked the President of the Treasury Board (Mr. Andras) on October 25 what the intentions of the government were in regard to implementing any of the 47 recommendations contained in the report of the independent review committee on the office of the Auditor General he gave me a very non-committal answer. I contend that in light of the recent criticisms by the Auditor General with regard to the government's financial mismanagement and poor control practices, this government should make clear to this House its intentions in regard to the report of the independent review committee on the office of the Auditor General, and indeed its intentions with regard to past recommendations of the Auditor General.

To be more specific, Mr. Speaker, the government could add a lot of credence to its pronouncement on the Auditor General of Canada if it were to take to heart the Auditor General's statement that parliament has lost effective control over government spending. This government must take the action to guarantee detailed financial statements of every government department, Crown corporation, and agency, and prior to actual expenditures being made. By "detailed" I mean something more than a general review. The day has come when members of this House will no longer accept financial statements that are chock full of miscellaneous and other headings to gloss over expenditures.

In a recent column in *Maclean's* the former Auditor General, Maxwell Henderson, wrote:

> It is the attitude in the top echelons of the federal public service that explains why our M.P.s are given so little hard information about government spending. At the same time, cabinet has little patience with parliamentary questioning. It upsets the political and bureaucratic timetables, even though it seldom alters the government's intentions. This is why more and more frequently now the Trudeau government provides to the House of Commons only the bare minimum of information about its proposed spending.

ment, but simply common sense and justice for our Canadian growers.

One more example lies in the dairy industry. This has been mentioned previously. It is important to the area I represent, parts of Norfolk and all of Haldimand County, which is noted for dairy production, primarily fluid milk, but also industrial milk which is used in the production of cheese.

Perhaps the matter of cheese production is more important in eastern Ontario and Quebec than in my area. However, I might point out that at the same time as dairy producers were being asked to take severe cuts in their quotas, cheese was pouring into Canada, and I use the word pouring advisedly, in direct competition. When we consider that it takes ten pounds of milk to make a pound of cheese, we can easily see the effect this importation had on milk production in Canada.

Time and again my colleagues rose in this House to demand some action with regard to the importation that was damaging our cheese industry.

I was not going to mention any more examples, but there is one other about which I wrote to the minister several times. I refer to bulk honey brought into Canada from Argentina. This is repacked by, I believe, Billy Bee in Toronto. It is not sold directly as a product of Canada, but the advertising indicates that it could well be a product of Canada. The poor consumer could not make a distinction. After making an investigation, the minister claimed that the action of the importer of honey from Argentina was within the law. People in my area who produce honey still have serious reservations about this.

The general theme that has run through all of the remarks tonight has been one of tariff protection to save Canadian agriculture. If we destroy the will and the ability of the Canadian farmer to produce agricultural food products, we are ultimately doing a disservice to the Canadian consumer. If you think this is not true, just look at the number of auction sales throughout rural Canada. A number of farmers are selling out, going out of business. Some are selling their land to developers. Some are moving into the cities to get a job that pays decent money because the government protects other industries but will not protect agriculture. If we allow this trend to continue, the Canadian consumer will be at the mercy of importers from foreign countries.

The present tariff policy will not do any favour to the Canadian consumer in the long term. If the government is bent on a cheap food policy, then let all segments of the economy bear their fair share of the cost. Agriculture is staggering under the burden of producing cheap food. Let us take the burden of cheap food off the backs of the farmers.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Wetaskiwin (Mr. Schellenberger).

Mr. Schellenberger: Mr. Speaker, there are only a few minutes remaining. Rather than break up my remarks, may I call it ten o'clock?

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—SWINE INFLUENZA—REPORT OF ADVISORY COMMITTEE—REASON FOR DELAY OF MASS IMMUNIZATION PROGRAM

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, as you are aware I have raised twice in this session of parliament important questions concerning the status of mass immunization against swine influenza.

The health authorities at various levels of government, and indeed most Canadians, have an important health decision to make this fall—to vaccinate or not to vaccinate, or to be vaccinated or not be vaccinated. To be specific, one must decide whether to give a vaccination for protection against a possible outbreak caused by the A/New Jersey/76 Virus, better known as swine flu.

The federal government has taken the initiative and given leadership to the provinces in sponsoring an ambitious, bold, and great undertaking in the field of preventive medicine. It is by preventive medicine and health care that the economic burden of illness will be lightened and the tragedy and waste of disease and death reduced.

Influenza has apparently plagued mankind throughout history. However, the great influenza pandemic that swept the world in 1918-19, commonly known as the Spanish flu and today referred to as swine flu, killed 20 million persons, outnumbering World War I fatalities by more than two to one.

In February, 1976, a new strain of human influenza virus identified as A/New Jersey/76 and called the swine flu virus was isolated in a few outbreaks among U.S.A. army recruits at Fort Dix, New Jersey. This virus infected about 500 people and took the life of one recruit. Moreover, the outbreak at Fort Dix was a mixed outbreak of swine flu and A-Victoria-3-75 viruses.

● (2200)

On previous occasions when a new major antigenic variant of influenza A virus has been recognized in the human population it has subsequently given rise to a world-wide epidemic. From past experience and present knowledge, it was only prudent to develop a mass vaccination program to protect Canadians against the new strain of influenza virus, especially since the World Health Organization on April 8, 1976, had issued a world-wide alert against a possible swine flu outbreak and urged national health ministries to prepare contingency plans. This program is not without its problems and critics, but action must be taken and problems explained after proper consultation, or else confusion, doubt, and damage to health might follow. That is why I asked questions on October 15 and 27 about the current status of the mass immunization program, and especially about any precautions taken and the

This problem is of great concern to the Automotive Industries Association of Canada, Manitoba division, because of the unfair treatment accorded Manitoba manufacturing and distributing companies and its inflationary influence. Ultimately it means all businesses in this area in the automotive and farm replacement parts market and finally all consumers supporting those businesses will be adversely affected.

The Automotive Industries Association of Canada, Ottawa, Ontario, which represents the 2.8 billion replacement parts industry in Canada made up of more than 700 member companies and 250,000 people employed by those companies, supports our position fully.

The letter ends with the words:

We believe this situation warrants your consideration and attention.

The letter was forwarded to me by Mr. Dan McKenzie, president of the association in Manitoba. I should appreciate it if the minister would give the matter his immediate attention. The difficulty for the Manitoba division of the association is serious.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to speak briefly on Bill C-15 and wish to place special emphasis on the effect on Canadian agriculture of the operation of the customs tariff, a theme developed by previous speakers.

I am concerned about the methods with which we implement tariffs of a temporary nature, that is, increase duties on certain commodities in order to meet an emergency in Canadian agriculture. At present, I submit our system is too cumbersome. Approval for an increase in tariffs necessary to protect a Canadian farm crop is too long in coming. As always, it is too little and too late. It is too late to protect Canadian agriculture. This applies especially to the Canadian farmer producing fruit and vegetables.

In spring and early summer, when our home-grown produce comes on the market, similar produce from the United States and Mexico still flows into this country and destroys the market for our own farmers. At any rate such foreign produce undermines the market for the first crop harvested by Canadian farmers in the spring. Protection is too little, and comes too late.

Present policies have a disastrous effect on Canadian farmers. They destroy the farmers' will to compete and produce food in Canada. What I mean is perhaps best illustrated by the fact that it took the government a long time to curb the importation of Oceanic beef. I will not go into the subject in detail, since it has already been elaborated on, but it took the government two or three years to enforce, not a tariff but a quota. I say this to show how long it takes the government to act in a time of difficulty for agriculture.

I respectfully suggest to the Minister of Finance (Mr. Macdonald) that the Minister of Agriculture (Mr. Whelan), or senior officials of his department, should have some input with respect to any decision to impose temporary tariffs for the protection of agriculture. Right now our procedures before the Tariff Board take too long.

Let us examine the effect of tariffs on some Canadian products to illustrate the irreparable damage which has been done in many cases. As hon. members know, I come from an

area which produces tobacco. In the tobacco industry we employ strippers—that term has been used several times recently. It carries no moral connotation. Strippers are merely people who strip the leaf from the tobacco after it has been cured. In the last few years the importation of leaf tobacco into Canada has increased by some 1,086 per cent. This has been happening at the same time as Canadian farmers have been producing the same quality of tobacco, at prices just as attractive. The Ontario flu-cured marketing board cannot understand how the government can permit the importation of leaf tobacco which competes directly with our own tobacco in our own markets.

It is true that there is now in place a specific duty of 15 cents a pound on leaf tobacco coming into Canada. That was of some use a number of years ago when tobacco sold at 30 to 40 cents a pound. Now it is selling at 90 cents to $1 a pound. Therefore 15 cents is not much of a barrier against the importation of leaf tobacco.

• (2150)

The effect on the tobacco farmer is simple. We have been forced to cut our production by 50 per cent. This represents a drop in income to the Canadian tobacco farmer of about 50 per cent. When you look at the effect of the whole economy in the tobacco growing area, it becomes serious. I also remind the government that the total take in excise tax, both federal and provincial, is well over $1 billion. Therefore the federal government and governments at all levels should do something to protect this industry which is so lucrative for the Department of National Revenue.

Let us look at the lack of protection for the apple growing industry. The County of Norfolk is noted for its apples. I always compete with the hon. member for Okanagan Boundary (Mr. Whittaker) and the B.C. apples. In any event, we grow pretty good apples in Norfolk County.

The apple growers have been under duress caused by a dumping of apple products. I refer specifically to the dumping of apple concentrate by Italy a year or two ago. With the addition of a little water you had reconstituted apple juice which was sold all across Canada in direct competition with that which is produced here. This was also mentioned by my colleague, the hon. member for Carleton-Charlotte (Mr. McCain). The apple grower is certainly drastically affected by poor management of our tariff structure.

In the same vein a similar type of competition was experienced by tomato growers who supply canning factories in Ontario and, in fact, throughout Canada. The health of that industry has been severely damaged. Tomato paste has been imported from Mexico which is easily reconstituted into catsup, tomato juice, and other such products. We are not afforded protection. As everyone knows, there is an abundance of cheap labour in Mexico.

There is no need for a permanent tariff. We simply have to make an application of a tariff to give our Canadian producers fair competition with imported products, nothing that will damage our relationship as signatories to the GATT agree-

It is very easy to set out some great pattern of world trade and demand the elimination of tariff barriers for commodities and manufactured or semi-manufactured goods, but it is very difficult in a country like this to go to the people with such a suggestion. I have talked to groups in my constituency who are very conscious of the problems in other parts of the world. They tell me they are willing to lower their standard of living in order to help those other countries. That is a problem I wrestled with for a while, Mr. Speaker. I admired that spirit, but it seemed to me that if there are individuals in the country who are willing to lower their standard of living for the sake of others, they can. There are many non-governmental agencies to which one can make donations or give some assistance or aid in order to develop other parts of the world. Because we have the kind of democratic system that promises opportunity to its people, I doubt whether it is possible to go to the people and say that we are initiating a trade policy which is going to reduce the standard of living of Canadians.

I think one of the problems of the world is that too few nations are moving toward the kind of democratic system that gives people a real choice in the kind of government they have, and in the policies of the government. If the situation were otherwise, and if democracy seemed to be spreading throughout the world, then we would have more cause to be optimistic about the world trading picture.

I feel we will need a tariff policy for many years to come and that no country can yet afford to destroy its own industries in the hope that this will somehow benefit other parts of the world. If we destroy our agriculture we will not strengthen Chad, Somalianor Mali, but we would certainly give a great boost to the Common Market and our neighbour to the south. Those areas would then be much freer to trade in the world.

When we are competing with countries at least as sophisticated and in many cases more industrialized than Canada we must be cautious and make sure that our agriculture can compete. There is not much point in having lovely rural areas if they are deserted and unproductive. The food shortage will catch up to the world, and I am sure we will be called upon to play a far more important role in feeding the world than at present. It would be a grave mistake if we were to allow agriculture in this country to decline to the point where we could no longer play that role.

This concludes what I want to say on the subject of customs tariff although I have not touched on areas like manufactured goods and a variety of other things. We must be very conscious of the primary industry of this country, however. I represent a constituency in a province where most of the primary industries are in trouble—lumber, agriculture, tourism. Coal mining is the one bright spot but even that has had some unfortunate strikes, partly brought about by inequities in this government's anti-inflation program. It might be possible to be cheerful and optimistic if only one primary industry were in trouble, but when the trouble affects almost all of the primary industries then the province and, I suggest, the country are in a dangerous situation indeed.

● (2140)

I suppose to many poorer nations of the world Canada appears safe, secure, solid and substantial. But I know that many businesses, many industries, are merely hanging on. Their ability to remain in operation and provide employment to Canadians depends on this bill. I ask the minister to review and consider carefully some parts of it because we cannot afford to lose more; particularly in agriculture we cannot afford to lose more than we have already lost.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome this opportunity to participate in the debate on Bill C-15, an act to amend the customs tariff. I wish to show how the government is discriminating against a Manitoba industry, the Automotive Industries Association of Canada, Manitoba division. May I quote a letter I received recently from that association. The association says:

> We wish to draw to your attention a serious problem working against the best interest of the citizens of Manitoba and of Manitoba industry engaged in the automotive replacement market.

The association points out that it is discriminated against

> . . . in such a way that the result is manufacturers and distributors are placed in a position of being non-competitive with similar businesses located elsewhere in Canada. The current action of the customs and excise division if continued may also result in Manitobans paying up to 20 per cent more for the same products being sold at lower prices in other provinces. The highly inflationary effect is obvious as is the adverse effect on Manitoba industry.

The letter goes on to say:

> The problem arises from customs and excise in Ottawa, and enforced by that same department in Winnipeg, unilaterally and without any advance notice to the importers, placing interpretations on the customs act, and administering the automotive and tractor sections of the act, in a manner contrary to what was done over the previous 40 years and, with some minor exceptions, contrary to what is being done in other areas of Canada. By refusing to allow entry into Manitoba at the import duty rates being allowed elsewhere in Canada and claiming up to 15 per cent additional import duties on shipments cleared in the Manitoba region, customs and excise places importers based in Manitoba at a disadvantage and causes rapid escalation of prices. Additional duties are being claimed on goods of a kind not made in Canada as well as those that are, over and above what has been the traditional rates for many years.
>
> The current situation is obviously unfair. Attempts to have the situation corrected through contact with local customs and excise officials as well as those in Ottawa have produced no results and not even acknowledgement that an unjust situation exists.

I find it extraordinary that the department would not even acknowledge the existence of a problem this big. I continue quoting:

> We are, therefore, appealing to our member of parliament, the press and other media, to assist in getting immediate action to correct an unjust and discriminatory situation.

I hope the minister will pay particular attention to my representation this evening. The association went to great lengths in an attempt to get action. It asks for immediate action to correct an unjust and discriminatory situation. I continue quoting from the letter:

> Detailed documentary evidence is available from several manufacturers and distributors in Winnipeg to fully support the foregoing statements.
>
> We are asking for your understanding and support and your assistance in bringing this to the attention of those concerned in Ottawa to rectify this situation immediately.

people will begin to wonder who actually owns the farmland and the farming resources of this country.

To some extent we have a beef industry in the north Okanagan as well as a dairy industry, and there have been continuing problems. We have been hearing about competition from offshore beef which has been permitted to come into the country. That price has been kept down so that the government can suggest that its anti-inflation program is really working, but it is working at the expense at one of the primary industries of Canada, which we cannot really afford to have disappear.

The federal government encouraged the dairy industry to increase production in British Columbia, and the producers there reacted in a most extraordinary fashion, to the point where production almost exploded. Then the federal government changed its subsidy program overnight into a program of penalty, and producers were left with surpluses of milk which they could not sell except at a price which really was a penalty. That would have put them out of business in a very short time, and some then turned to hog production because one thing you can do with surplus milk is feed it to pigs.

It is even more inexplicable to lower the duty on hog production and to allow competition at a time when the dairy industry very much needs protection for those who could go into that as a side interest to use up some of their surplus milk. We have heard a great deal about this strange development in the hog industry. As I listened to the minister announce that change, I could not understand because the timing was most inauspicious.

I would like to change the subject for a moment. We face an extreme paradox when we discuss customs and tariffs at all at a time when in world forums we are discussing, along with the other nations of the world, the new international economic order. There has been passing reference to it and some mention of free trade, and I noticed that the speaker who preceded me entirely rejected free trade as being a possibility because he comes from a part of the country where economic development is essential. The economic development of his area has not kept pace with the central or western parts of Canada.

Yet a variety of spokesmen for the government have committed themselves to the new international economic order. I spent a week at the United Nations, and the subject was discussed there to some extent. We know that a group of nations gathered at Manila in January and February of 1976, and they set out a Manila Declaration and Program of Action. The group has been known as the group of 77 because 77 nations gathered there. They made enormous demands of the developed nations of the world. When I was at the United Nations I learned that that group has now grown to 115. That group is asking for a complete restructuring of world trade.

● (2130)

I have travelled widely and have visited some of the countries which we call underdeveloped. I know the appalling need and the vast range between rich and poor, and I have seen misery at first hand. One cannot but have some sympathy for those nations that are now rejecting the old aid programs and demanding instead a complete restructuring of the world's trading patterns.

An article in "The Canadian Business Review," Volume 3, 1976, entitled "The New International Economic Order And Its Implications For Canada" makes some telling points. It states:

> The Canadian government has indicated in broad terms an acceptance of the need to establish a New International Economic Order.

Our spokesmen have been seriously involved, and the former secretary of state for external affairs who has been—I would not want to use the word "demoted"—who has been shifted to House leader was co-chairman of the North-South conference. This is another international conference which goes along more or less continuously with the UNCTAD conference which is held from time to time. Perhaps the terminology is poor but the north represents the developed countries and the south the underdeveloped countries. However, this conference has bogged down, and I think one of the problems is that few countries in the world have the democratic process which we appreciate in this country. It is here that tariffs and customs come into play. It is easy to advocate the total restructuring of the economic system of the world but it is not so easy in a country such as Canada.

The article states at page 20:

> Nevertheless, the proposals for the establishment of a New International Economic Order are of great significance for Canadians. Canada will be directly affected by any major attempt at restructuring the system through which international flows of goods and services, capital and technology take place. Perhaps more than any other developed country, Canada's own interest in the reform of the international system is ambivalent.

We play a dual role. In some ways we are a developed, sophisticated, industrialized nation, but in certain areas of Canada we are underdeveloped, undeveloped, and primitive. We have vast areas that cry for development, for job opportunities, for a status they do not have because the industrial area of Canada is concentrated mainly in the eastern provinces.

How can and how does a country which is a democracy go to its people and say: we are asking you to give us your permission to introduce policies on trade that will lower the standard of living in the country as a whole? I simply do not believe that is possible.

I think it is one of the problems of the world today that so many nations, particularly those that form the group of 77, do not themselves know anything like the democratic process where they must seek the will of the population before making trade decisions. Certainly that is not the policy in that other great trading bloc, the Soviet Union, the communist countries of eastern Europe, and mainland China. Again some sort of reference to popular elections, an opposition, and a parliamentary system where it is assumed governments will alternate from time to time—unfortunately in Canada they have not alternated frequently enough in the last few years—this type of system is unknown in many countries of the world.

to blackmail the agricultural industry in the north Okanagan can call a dock tie-up in the fall of the year when the fruit crop is moving to market and, if there is an interruption of even one year, a market can be lost and it can take many years of persistent negotiation to get it back again.

I have always had the greatest regard for the B.C. fruit producers for the way in which they have aggressively marketed Okanagan apples around the world and the way in which they have continued to hold a place and to develop a product that is second to none anywhere in the world, one that can compete with the very best quality and at the highest possible prices. This aspect of agriculture in British Columbia is not always understood even by British Columbians. I am referring to the fact that in so highly competitive an industry you cannot simply produce a poor product and ship it out cheaply. It would not pay any longer because the costs all the way along the line have risen so sharply that you must produce the sort of product that can command a price which would cover the cost of the production and shipping.

Therefore the industry needs in effect a kind of protection, particularly against a process we know as dumping, which still goes on and against which we have developed machinery which is not quite sophisticated enough as yet. It seems to take a little too long to trigger the formula that will put barriers into place with respect to such products as cherries, which are an important crop in the region, where we are in competition not with underdeveloped countries in the far corners of the world but with the United States next door.

This problem has been referred to by a good many other speakers in the course of the evening and we must always keep in mind that the U.S. can produce virtually everything that we can produce, bring it on the market a little earlier, and cream off the top price at the beginning of the season. They can then shore up the shortcomings by dumping on the Canadian market at a lower price than that for which they produce their products, thus providing a floor for the industry back home. This is one aspect of which we must be careful. We have heard other examples.

My colleague, the hon. member for Okanagan Boundary (Mr. Whittaker), has already mentioned the problem with potatoes and the type of potatoes known as stripper potatoes. I have had various people in the last day or two ask me what a stripper potato is. There is nothing immoral about it at all, it is just a little lower grade, but it is the kind of potato which, if moved across the border to British Columbia, provides competition that is too stiff for local producers, and yet we can grow excellent potatoes in the dry valleys of British Columbia, as we do, and process them.

Again another factor enters here which has really nothing to do with tariff and customs, although that is closely related. There are several federal programs that have failed to reach British Columbia in any significant amount. One of these is the DREE program where we find that some agreements have not yet been entered into with British Columbia, and for the last several years virtually no funding through that program has been available for industries in British Columbia in the agricultural region which have wished to start up or expand. In most cases it is a question of expanding or replacing worn out facilities. It is not just the prices in the agricultural industry, not just the price that can be obtained for the goods produced which is the problem there.

• (2120)

The price of money is one of the things which is of paramount importance to agriculture in B.C. When every other part of Canada can be developing processing facilities with grants from the federal government—not just low interest loans, but outright grants—these have not been available to the agricultural producing areas of B.C. for many years. Any co-operative or individual who has wanted to increase processing facilities has had to go to the regular money market for all of his needs. So we have the whole question of interest rates on loans as opposed to federal government grants, and the problem continues to exacerbate the situation of the agricultural developers and growers in British Columbia.

The brief goes on to talk about the B.C. Land Commission and the need to retain as much land as possible for agriculture. I do not think anybody denies that basic truth, but the brief goes on to say:

> In addition to preserving all existing farmland and doing everything possible to encourage all available agricultural land to be in full production, we propose that the provincial government create a new program designed to convert Crown land now unfit for agricultural use into usable farmland. This program could include terracing hillsides, reclaiming land that did not disturb natural wildlife shelters, irrigating otherwise useless land, and in general, making as much land now considered marginal or useless for farming as productive as possible.

On the surface that is all very worthy. The next line reads as follows:

> If this program provided meaningful jobs at union wages, we believe the program could really benefit our province for years to come.

The point made there is that if such land which is not now under production were brought in at that price, with all the necessary things which it is suggested would be needed, then it could never pay at the prices which are currently obtainable for agricultural products. It would have to be used for some other purpose. It would have to be sold for housing tracts or industrial development. It would have to serve some purpose other than agriculture, because by the time the agricultural potential of the land has been created at disastrous labour costs, in effect it would be prevented from serving an agricultural role.

One of the difficulties which besets the farmer, and one of the reasons why he must keep a close eye on tariff and customs provisions of the federal government is his enormous investment or accrued value in his farm. If the farm was developed by his grandfather and handed down to him by his father, and if it was developed years ago when land was worth relatively little and could be cleared for very little, then he finds himself holding on to an asset so valuable that in effect he cannot begin to obtain through agriculture anything like a good return from it. This is a problem which is becoming more and more acute in British Columbia, and it will not be long before

carefully because it did not at all illustrate that we were winning the battle with inflation in Canada even though we might have had some lower food prices here at that time. What it illustrated was the degree to which European agriculture is protected and the level of the support, in the sense that people in those nations were willing to pay in prices as well as in subsidy for their extremely progressive and highly developed agricultural industry.

My NDP opponent did not seem to realize that, although we have many Canadian farmers and they are progressive and aggressive, they were in direct competition with European agriculture in respect of almost everything they raised.

I am afraid our geography is taught very badly in our schools, by and large. Europe looks very small on the map and our students have a tendency, because of the size of Canada, to assume that the populations and density of Europe are so great that the entire continent involves buildings, pavement, and parks and that there could not possibly be any room left for agriculture. However, I have been to the lovely continent of Europe and have been impressed anew with the size, scope and prosperity of its agriculture. This summer it seems to have had a bit of a set-back entirely due to a rather marked shift in the weather. It is a little too early to say whether or not there is a shift in climate as well, but certainly there has been a shift in the weather.

I was in Europe again about a year ago. I went there entirely on my own. It was not in any way an official trip. My wife and I spent some time in West Germany and observed again the marvellous productivity of the German farming community and the large herds of red and white cattle. We were able to travel from there by bus through Switzerland.

Although I had read a good deal about the Brown Swiss and had seen that breed of cattle I had no idea how many Brown Swiss could be accommodated in Switzerland until I travelled through the valleys there. One could see very clearly in the course of those travels why the Canadian dairy producer has such a difficult time disposing of his surplus milk powder anywhere in the world once the dairies of Europe begin to cut the price.

Sometimes I believe many Canadians live in sort of a fairyland in regard to agriculture in the world today. There is an assumption that somehow we should be able to compete and develop utterly in isolation, without an awareness of the kind of competition which could come not from the developing countries of the world as much as from the most highly developed parts of the world. We are in agricultural competition with such countries as Japan, Australia, New Zealand and South Africa. One might think that the competition would come from the more primitive regions of the world, but that is not the case.

● (2110)

We are in competition with the developed, sophisticated people who seem to be light years ahead of us in preventing our products from moving into their countries as compared with their products moving into this country. This has been one of the features of international trade that has always left me rather breathless.

I have visited the northern island of Japan which has a fruit industry comparable to the fruit industry in several regions in Canada. No apple of ours can find its way into the market over there. They will not run the risk of obtaining a codling moth with a box of apples from Canada, so they manage very effectively to keep our product out. We have never developed a good excuse for keeping their product out of this country. The same argument is applied by Australia and New Zealand occasionally. It is much easier to have the ubiquitous Granny Smith apples showing up in Canada than to get a Canadian Macintosh, Spartan or Red Delicious appearing in Australia or New Zealand. I have always wondered at the injustice of that and why it is that we accept exclusion from other markets that are in competition with us and, at the same time, we do not exclude the products of those countries here.

I represent an area that is part of a very large and diverse constituency. Part of it is one of the garden areas in Canada which still produces a significant fruit crop and, some vegetables, and still has a fine dairy industry, but particularly in vegetables the production is not as good as could be hoped. Yet there is a dream, a hope, and a great deal of romantic feeling about the whole agricultural industry in the area.

I have just received a brief prepared for the government of British Columbia by an organization that calls itself the North Okanagan Aid Society. I will get in touch with these people because I would like very much to talk to them. I have read their brief to the British Columbia government and in some ways I scarcely know where to begin to talk to them about a variety of points which they made. To start with, of course, I think the brief has been sent to the wrong government. If they were truly interested in some of the key and significant factors in agricultural development in British Columbia, the brief should have been directed to the government here in Ottawa. It should have been directed to the Minister of Agriculture (Mr. Whelan) and to the Minister of Finance (Mr. Macdonald) because it is here that so many decisions are made which weigh so heavily upon the agricultural industry in my home province.

But when the group preparing the brief refers to agriculture, they say that they urged the British Columbia government to develop programs to encourage agricultural producers of all kinds, such as producers of vegetables, fruit, grain, etc—all these can be produced in the Okanagan—to have their crops processed and sold in British Columbia, the surpluses to be sent to other markets only after the needs of our province have been met. One can see immediately that the persons writing that have not taken a very close look at modern marketing in agriculture because, if we know one thing in the Okanagan about markets, we know that you cannot enter them and leave them, and re-enter them and leave them.

If you have a market, you have to maintain it and ship to it each year, and you have to be certain that you can guarantee arrival. This is one of the reasons that we are so vulnerable to strikes in the essential services, because anyone really wanting

to take off from their traditional economic base into some sort of meaningful development.

On the other hand I think that part of Canada's industrial strategy has to consider the various sectors of the economy and how they can become more efficient without being overly dependent upon continous tariff and non-tariff protection. The practical way, it seems to me, is to do this on a sector by sector basis, and establish time frames such as five to seven years in order to accomplish these goals.

The most respectable argument for protection is always the one made by Alexander Hamilton, when the United States was beginning its nationhood, and that is the protection of infant industries. One of the reasons that John Turner can say, now that he is out of the House, as he said the other day, that under confederation the province that has profited most has been the province of Ontario is that in Canada, and especially in central Canada, part of our trouble has been that infant manufacturing industries have never fully grown up because they have been overly protected. Therefore they have been relatively inefficient in international competition.

In this connection I think most Canadians would welcome a change in the United States-Canada auto pact that would allow Canadian consumers to buy cars without having to pay the 15 per cent tariff duty. It makes little sense for cars produced in North America to have a $300 to $700 differential as between Canadian and U.S. prices, especially since the tariff is not really protective of Canadian jobs. The pact should, of course, make sure that Canadian jobs in the automobile industry are protected, but I see no relationship between that and the tariff duty as it is now applied.

I liked what Mr. John MacDonald, the head of the Canadian Export Corporation, said the other day at a meeting of the Atlantic Provinces Economic Council, which I wish I could have attended. Mr. MacDonald said:

> There are opportunities in the Atlantic provinces to capture the opportunities opening up in international markets. The value added to the primary products of your forestry, agricultural, fisheries and mining resources should not be lost to the secondary manufacturing capabilities of foreign countries. Those capabilities should be established here, the plant, the equipment, the skills, the management and marketing expertise.

To which, Mr. Speaker, I say Amen. One of the great opportunities to help the Atlantic region, and especially Nova Scotia, is for the Canadian government to go the extra mile to make sure that a new international steel complex is located in Cape Breton, Nova Scotia. It could at one and the same time reverse the historic "have-not" role of Nova Scotia in Canada's confederation; and equalization payments, for example, could disappear within the next decade or two. With the shortages expected in Canadian steel capacity in the 1980's this could make a real contribution to our balance of payments situation that could be critical. This is the situation because as much as 60 per cent to 70 per cent of the production of Cansteel will be exported and thus earn important dollars for the Canadian economy.

• (2100)

For those members who are not familiar with Cansteel may I say it is a consortium of steel companies including Dofasco of Hamilton, Ontario, and two of the largest European producers, one German and one Dutch, plus National of Pittsburgh which, with the province of Nova Scotia, are studying in depth all the technical, financial and marketing aspects in respect of the establishment of a new steel complex in eastern Nova Scotia on Cape Breton Island. They have been involved in this for a year and a half now since Cansteel was organized, and the decision concerning whether or not to go ahead should be made by May next year.

Despite the present uncertain conditions in respect of world steel markets and the large capital financing that would be necessary, there seems to be a strong possibility that the effort could be successful. Traditionally from the 19th century on steel plants were located near raw materials such as coal, iron ore, limestone or dalomite, and at sites inland. Later closeness to markets became strategically important. It seems to me there is now a trend back to locating near available raw materials, especially coking coal and tidewater with depth.

The consortium partners would buy much of the semi-finished slabs and billets that would be produced, and hopefully we could produce some other finished products besides rails, given the fact that there would be a sort of captive market for a majority of the semi-finished steel. The government must seize the opportunity it has in this case and encourage such a development in every feasible way. It would appear now that there would be available from the Cape Breton Development Corporation three million tons of good coking coal at internationally competitive prices.

Iron ore, and generations of steel-making skill are available in the Cape Breton industrial area. There is access to deep tidewater and there is easy access to limestone and dalomite. To make it a success, however, the federal government must be deeply involved and committed. Given the return of the present member for Cape Breton Highlands-Canso (Mr. MacEachen) to his duties as House Leader and deputy Prime Minister we know that co-operation from Ottawa will be guaranteed.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, as I sat and listened to this enlightening debate on customs tariffs I have been reminded of the election campaign of 1972 and of one particular all-candidate forum where my Liberal opponent read out a list of food prices from various places in Europe. He read the list as proof that the Liberal government of the day had solved the fight against inflation. He was followed by my NDP opponent who told the Liberal candidate not to bother the meeting with any list of agricultural prices in Europe because Canada is a great country with aggressive and progressive farmers and we did not need to hear any such list at all. It struck me that they had both missed the point.

I told my Liberal opponent that the list he read was the most important thing he had said all evening and that, rather than being overlooked, it should have been considered very

inadequate to allow us to build a viable manufacturing sector based on selling goods in the large market extending from Trois-Rivières in Quebec to Windsor in Ontario, within which region some two thirds of all Canadians live.

Simultaneously the American tariffs on many goods, as well as their more sophisticated manufacturing sector based upon economies of scale related to larger markets, their greater technology and access to finance, all hindered our development. An additional sore point with some people in Atlantic Canada is that many home grown family and partnership farms and businesses, both in primary and secondary manufacturing, were bought out by larger corporations which often proceeded to close them and supply the maritimes from their central Canadian factories or plants. In doing so they were unimpeded by any federal attempt to intervene, as for example, by a fiscal tool such as a high capital gains tax for selling maritime-owned businesses in order to keep these industries' jobs in the maritime provinces.

Having made that brief, if simplistic, historical incursion into our economic history, and while I do believe the world we are moving into in the 1980's and 1990's is going to be one which will demand greater liberalization of trade between countries, and while believing that Canada has to take a lead in promoting the lowering of tariffs, I must express a caveat.

The free trade model recently proposed by the Economic Council of Canada as a policy option for Canada during the latter half of the 1970's is, in my opinion, a dubious proposition. The modern extensions of Ricardo's model are predicated on an institutional framework that bears little resemblance to the existing international political economic order.

For success, the free trade model requires a laissez faire political and economic system, that is, passive government, truly competitive markets, small, powerless and passive trading firms, unimpeded flows of labour between countries and within national boundaries, free flows of capital and non-managed, flexible exchange rates—no dirty floats. Only when these institutional conditions are met will all the participants in international trade experience any improvements in their real standards of living.

● (2050)

Within the framework of our own confederation we have had free trade, indeed an economic union, between the provinces, but the Atlantic provinces have still suffered. Likewise if you look at the divisions between the rich and the poor sections in Italy, we can agree that free trade even within a country is sometimes injurious to one section of it, or at least plays little role in closing the employment and income gap between national regions. I also believe, and more so after listening to Prime Minister Manley of Jamaica today, that we in the better off countries have to open our markets in a preferential way to Third World countries.

Some would argue that we have a comparative advantage that should be exploited in high technology industries. Indeed a perusal of Canada's trade figures reveals that the country may not even possess a comparative, that is a relative, advantage in high technology industries. Moreover, not only have the high technology manufacturing industries, with few exceptions, performed poorly in foreign markets, but they have also been slipping in the domestic market. Thus it would appear that the strength of Canada's trade advantage resides in the resource sector, a sector that would not likely experience large gains because of free trade. As a result the movement to free trade would, it seems to me, reinforce the Canadian image of hewers of wood and drawers of water.

Obviously in the short run per capita incomes have increased through development of our natural resources and staple products, but we have paid a high price for it. We must now intelligently and vigorously pursue a policy of increased processing of Canada's natural resources, but this move would be inconsistent with free trade in the textbook sense. Furthermore, the regional repercussions of the closing out of a substantial segment of the manufacturing sector—for example, textiles in Quebec—are even more serious than I have indicated.

A substantial decline in employment in the manufacturing sector, compensated by a sharp increase in the share of aggregate employment accounted for by the service sector, could result in a marked deterioration in the productivity potential of the economy. Indeed it is possible that the initial productivity bonus stemming from specialization could be completely offset within four to six years by a lower trend growth in over-all productivity.

Up to now we have assumed that the transition which would occur in the industrial structure as a result of the move toward free trade would be orderly, but the massive industrial restructuring that would be required to maximize the potential benefits from free trade could not in fact take place in an orderly manner, even if we were looking at a relatively long adjustment period. Canada's post-war economic history suggests that this is so for many of our industries that have been protected for a long period.

Moreover, some suggestions that Canada should even go it alone unilaterally in establishing free trade, strike me as being completely unrealistic and could be catastrophic in the consequences of such a step. Canada has to operate within the context of negotiating under the General Agreement on Tariffs and Trade. At the present time the various countries of the world are engaged in the tedious but important meetings of GATT that are referred to as the Tokyo round of negotiations. It is our belief and hope that a great deal will be accomplished in the liberalization of trade policies for Canada and, indeed, for the world at these meetings.

I would especially hope that the Third World countries would be given special concessions by the developed countries which have controlled the GATT system in the past because they carried out much of the world's trade between themselves. We in the developed world must continually remind ourselves that there are some two billion human beings on this planet, flesh and blood like ourselves, who have to be encouraged with aid both of food and fibre, and also technology and capital, but including trade arrangements that would give them a chance

sible for allowing to go through cabinet regulations which reduced the duty on certain fish products. The processed fish industry is having problems disposing of its product on the various markets, including our Canadian markets.

Some of the items on which we have had reductions are sugar, fresh and processed vegetables, fish products, prepared food products, biscuits, crackers and cereal foods, all of which have had a reduction in duty when coming into this country. These products should be manufactured by Canadians. More Canadians would be employed and there would be a better income for agriculture. The program is contradictory.

Some hon. Members: Hear, hear!

Mr. McCain: You either want employment in Canada or you do not, and I suspect the Minister of Finance is on a collision course in this and other fields. If agriculture is to be more and more vulnerable, there will be more and more unemployment.

I wonder how many members are acquainted with farm friends who have spent $100,000 on farm equipment recently, $50,000 for grain storage, or $75,000 for potato storage. This creates work in the industrial areas of Canada. However, if the farmer is to have increased competition from foreign sources, he is not going to require commercial storage. He will not be able to afford any tractors or combines built in central Canada or the northern United States. In fact he will not need them.

The Minister of Finance should look at the remarks placed on the record when the predecessor of this bill was introduced. The Minister of Agriculture should also look at the remarks made at that time. Statistics were placed on the record which indicate that both urban and rural Canada are economically worse off by virtue of the influx of cheap food. The employment picture can be improved if agriculture can improve its financial position.

● (2040)

It is high time the Minister of Industry, Trade and Commerce (Mr. Chrétien), in co-operation with the Minister of Agriculture, examined the programs of the EEC, of the United Kingdom, Australia, Japan, and the United States. It is high time the President of the Treasury Board seriously considered the amounts of money which would be required to maintain the agricultural industry in a spirit of confidence comparable to that in the United States. These are figures which you cannot get, and to which no one has given consideration.

Not many months ago the Minister of Agriculture told us that our farmers had the benefit of the best programs in the world. That is not the case. Look at Agricultural Production in the United States and read "Agriculture Abroad", another publication of the Department of Agriculture in Canada. Read about the Swiss set-up. Read what is said about the American set-up. Read about the programs available for rice, sugar, cotton, peanuts, all of which are eligible for continued assistance and subsidy because the government feels it is desirable that these crops should be produced on an economic basis—and this does not mean the exclusion of imports.

We have seen apple exports from Nova Scotia excluded from the U.K. by virtue of a high-handed, unnegotiated structure in the form of EEC. We have seen market after market disappear because we have negotiated, not with the idea of sustaining a healthy agricultural industry but apparently with the idea of supporting scissor factories and similar enterprises.

In conclusion let me say there is a pertinent and dramatic parallel between the peaks of prosperity in the economy of Canada as a whole and the prosperity of Canadian agriculture. The curves do not coincide precisely, but in virtually every case the peaks of the Canadian economy as a whole come very near, in time, to the peaks of prosperity of Canadian agriculture. Any minister of finance who passes a bill which endangers the economy of agriculture endangers the total economy. He might say to himself that only 7 per cent of the people of Canada work in agriculture, but at the same time he had better look at the vast spending capability of the industry to the benefit of urban Canada, in the main.

This measure is a backward step, a detrimental step. It is bad for Canada as a whole and dangerous for agriculture not because of the size of the individual reductions but because it is a symptom of a policy which has remained in place for ten years and which has hurt agriculture in a serious way. Surely the minister can reconsider. Surely cabinet can sit down together and help this group of people which is so important to Canada in the long range, including of course the metropolitan consumer.

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, economists have vigorously argued the case for free trade for about 200 years, so when the Economic Council of Canada last year reaffirmed its support for free trade it was simply falling in step with a long tradition of economic thought.

As Professor Paul Samuelson has written in his best-selling economics text book:

> Unhampered trade promotes a mutually profitable international division of labour, greatly enhances the potential real national product of all countries, and makes possible higher standards of living all over the globe.

The basis for such conclusions rests upon the principle of comparative advantage, first stated in 1817 by David Ricardo, an English stockbroker, economist and self-made millionaire. Considering the institutional environment of that day, and judged by Britain's priorities, Ricardo's theoretical and actual support for free trade seemed justified. Indeed Britain used the free trade doctrine to its advantage during the peak period of its colonial power in the latter half of the nineteenth century.

The maritime provinces have always been, in theory advocates of free trade for historical reasons. The economies of Nova Scotia and New Brunswick both flowered in the days of reciprocity with the U.S. prior to confederation.

There has always been a traditional grievance that central Canadian manufacturing industries were over-protected by the tariff, forcing maritimers and westerners to pay very high prices for the goods produced by those industries. As the same time national transportation policies were—and still are—

the farmer? Often the farmer is kicked in the teeth; should he not sometimes get a pat on the back?

Certain agricultural chemicals are not so listed because they were not used for agriculture 50 years ago, or even 20 years ago. Now such chemicals are needed in the agricultural industry. Because certain chemicals have only recently become available, farmers must deal with a great deal of red tape before they can bring them into this country. These items have been mentioned in letters sent to the Minister of Finance, the Minister of Agriculture, and the minister concerned with the collection of duty. This has been going on for 15 months, Mr. Speaker. There was plenty of time to include such items in this legislation, and allow them to come in duty free, but they have not been included.

● (2030)

We restored the duty on scissors, reduced the duty on agricultural products, ignored the items of importation which are problems to the producer, and we expect the farmer to be happy and to improve our balance of trade. We are indeed in the midst of a strange psychology.

I submit, in view of the statistics which have been pointed out, that a great many inequitable trade situations should be resolved with the United States as far as agricultural trade is concerned. If you look at the duty on beef into the United States in its various forms, it is inequitable. The duty on the potato structure is inequitable. The duty on grapes and wines is inequitable.

Grapes and wines are a prime example of an agricultural commodity which has been detrimentally affected by a change in the policy of duty applied to imports of agricultural products. All those in southern Ontario who voted for Liberal members have got for their thanks a situation with regard to duty in which wine and wine concentrates can be imported into Canada at a price which makes it virtually impossible for the wine industry and the grape industry of Canada to thrive. How would you like to ship a few thousand tons to France? Give it a try some day.

Instead of putting on a reasonable duty through this piece of legislation to protect the grape grower, we are buying surplus grapes in southern Ontario at a cost of something over $1 million. I commend the government for recognizing their financial problem. We will probably do something about processing them and end up spending $330,000.

We will use public funds to subsidize grapes because we have a duty policy which allows concentrates and finished products to come into Canada in competition with our products. The government is dipping into the public purse to correct it. I agree it must dip under the present circumstances. However, I disagree with it permitting the circumstances to arise where it is necessary to dip into the public purse to correct an obvious oversight.

If you were to order wine in government premises anywhere in Ottawa where it might be available, would you get Canadian wine? I wonder whether the grape grower is getting that much support from the Government of Canada, the Minister of Agriculture, and the Minister of Finance. If I am not mistaken there is a great deal that is foreign and you have to take it without asking.

A classic example of a situation in which there is often a surplus is the potato. The Government of Canada should take note of this example. You cannot get potatoes into the European Economic Community unless there is a drought or shortage to the point of causing great hardship. However, we happen to have a piece of paper which says that following their mid-August decision to suspend the customs external tariff on fresh and chilled cabbage, cauliflower, peas, carrots, celery and potatoes until the end of September, the EEC ministers agreed to prolong this suspension with respect to all these vegetables until the end of the year.

This is one of the very first times that Canada is shipping table stock potatoes into the European Economic Community. They have always had enough of their own and, at times, a surplus. They have not dumped that surplus of potatoes in Canada, but in markets that traditionally belonged to Canada and the United States. They dumped them at prices which scarcely covered the cost of packaging and freight. However, we have no such program.

The Scandinavian countries today say that they are going to ship as many potatoes as they can ship properly, but they are going to protect their consumers and producers by not letting out too many. The ministers of the European Economic Community are going to let some potatoes in, but not too many. They are going to protect their farmers.

Time after time the Australian government has passed regulation after regulation because a particular agricultural commodity was being hurt. We had an extensive market in Australia. However, because a particular Commodity was in competition with a product in Australia, the door was shut forthwith. For some reason or another Canada, as a party to GATT, cannot do the same to anybody else. We can be excluded from markets world-wide without any call for compensation whatsoever. However, when our market is cluttered with dumped produce, no action can be taken because it would contravene our relationship with GATT. It is high time we put ourselves in a different position with GATT.

There are close to a million tons surplus of potatoes on the North American continent, 400,000 pounds of which are in Canada. I hope that the Department of Industry, Trade and Commerce, the Minister of Agriculture, and the Minister of Finance will co-operate in their search for markets and duty concessions so that the Minister of Agriculture and the President of the Treasury Board (Mr. Andras) will not again have to dip into the public purse to bail out the potato farmer. If not, he may have to be bailed out in the same way as the grape farmer and the pork producer.

It is indeed a strange and wonderful structure in which we find ourselves today. It would be utterly impossible for any conscientious individual with any relationship to the farm community to allow this legislation to pass by without castigating the Minister of Agriculture and the Minister of Fisheries and the Environment (Mr. LeBlanc) who is equally respon-

body was thoroughly and completely deceived, particularly the farmer.

An hon. Member: But you people forced the election.

Mr. McCain: Mr. Speaker, no opposition party can force an election when the government wants to stay in power.

An hon. Member: Where were you in 1974?

Mr. McCain: Please shut up and listen, and perhaps you will learn.

Some hon. Members: Oh, oh!

Mr. McCain: The government introduced legislation in this House which it knew no party on my side could possibly support. It was done, with the malevolent intent to bring an election upon the people of Canada.

An hon. Member: You're sore because you lost.

Mr. McCain: The very principle involved in that legislation demanded that every opposition party should vote against the government, and no one knew this better than the Prime Minister (Mr. Trudeau) when he authorized the introduction of the legislation.

An hon. Member: And you blew the election.

Mr. McCain: Well—

An hon. Member: You lost, and you will continue to lose.

Mr. McCain: Mr. Speaker, there are none so blind as those who will not learn or listen.

Mr. Dionne (Northumberland-Miramichi): Right on.

Mr. McCain: Our agricultural industry can improve this country's unfavourable balance of trade. Let me relate some figures to demonstrate the trade deficit which Canada experienced in relation to the United States.

In the five-year period 1966 to 1970 inclusive Canada incurred, on average, a trade deficit in agriculture of $320 million with the United States. In 1971 that deficit rose to $371 million; in 1972 to $449 million; and in 1973 to $672 million. Do not forget that around this time the oil deficit made itself felt, as well. In 1974 the agricultural deficit rose to $1,048 million. In 1975 that agricultural trade deficit with the United States had risen to $1,095 million. And, Mr. Speaker, here we are, setting in motion today the very mechanism which will make that balance of trade even less favourable.

I grant you that so long as our grain is in such great demand on international markets, we shall continue to have an over-all favourable balance of agricultural trade. But if we continue on our present course we shall erode that favourable position because we shall see imported the agricultural commodities which ought to be produced here in this country. And our position is being eroded. The government's policies are causing that erosion.

Earlier today the hon. member from British Columbia discussed the flower growing industry. Mr. Speaker, the Canadian flower growing industry was doing well in Canadian and United States markets. Then came the change in the energy climate. The Canadian government's energy policy drove up the cost of heating greenhouses and other installations used for raising flowers. Consequently, the industry was placed in a difficult economic position. Now, since energy is cheaper in the United States than in Canada, the raising of flowers and shrubs in Canada has declined.

Similar factors have affected costs within our agricultural industry. Let me give you some figures, Mr. Speaker. I am about to refer to a little booklet put out by Agriculture Canada entitled "Canada's Trade in Selected Farm Inputs, 1945-75." Let us see what has happened to the costs of imported items used in agriculture.

The cost in imported agricultural chemicals rose by about 80 per cent in the period 1971-75. The import costs of fertilizer materials increased by 340 per cent. Baler twine had risen by as much as 450 per cent by 1975. Although the cost of that item is down somewhat, costs have still risen by about 300 per cent during the relevant period. Imported tractor and implement tires rose by 160 per cent; combines for grain, by 90 per cent; farm loaders, by 105 per cent; tractors, by 100 per cent; used tractors, by 300 per cent; tractor cabs, by 225 per cent—and so it goes.

How can the government approve legislation of the kind we are now debating which cuts the ground from under the agricultural industry which contributes so much to this country? Further, this bill does not correct inequities which were imposed against the intent of legislation applying basically to agricultural imports. Rulings and regulations have been handed down which go contrary to that intent. The hon. member for Vegreville (Mr. Mazankowski) this afternoon cited examples. One could cite others, equally valid.

Materials handling equipment necessary on the farm is not eligible for import duty free, as originally intended. The reason is that such equipment resembles implements used for other purposes. Therefore, it is dutiable. And, once duty has been paid, it is almost impossible to obtain a return of duty, even though the equipment was supposed to be allowed in duty free. If you want to buy ventilation equipment for vegetable storage today, you will be asked to pay duty on it. duty has been remitted in some instances, and in some circumstances such equipment is allowed in duty free on the basis of a former remission. But why not correct that situation? If you are going to reduce duty on farm equipment and so allow our farmers to be more productive, why not correct the situation with legislation, instead of leaving it in limbo, so to speak. You are only inviting some person to impose some fresh ruling in future.

At present no manufacturer in Canada makes ventilation equipment for farm buildings. The Government of Canada says that if you bring in ventilation and temperature control equipment for grain, it is duty free; but if you bring it in for any other reason, it is dutiable and taxable. I submit that this policy is in error. Why not do something to the advantage of

imposed upon those who produce at less than the cost of production.

The pork industry is an example, Mr. Speaker, and it is singled out for particularly harsh treatment. Since 1972, when many of us arrived in this House for the first time, it experienced a cycle of major losses and the provinces had to come to the rescue. There was then a rather short cycle of profit, but it did not recover its capital losses and has not repaid the loans which were necessary in the low cycle. As a result of an over abundance of meat of all kinds on the Canadian market, it is now in a very depressed condition and is not protected by any automatic plan to contribute to the welfare of the producers, as would be the case in other parts of the world. It must suffer cycles of no duty, plus cycles of low prices. This is just shortsighted economics not just from the point of view of agriculture and the pork producer but for Canada as a whole.

I think it is interesting to note that according to the document we are studying, duties will be dropped or will continue to be reduced on between 30 and 40 agricultural items. Let us examine what happened between 1972 and 1975 on these items. I do not include oranges, orange juice, and the kinds of fruit that we must import but only those we produce ourselves. The government claims not much harm has been done since the initial reduction, but if it would relate the statistics to the imports of such products from 1972 to 1975 it would realize that except for three agricultural items produced here, only cranberries, green beans, and carrots have had a favourable change in their trade position. All the other items, apples, blueberries, cherries, peaches, pears, plums, strawberries, beans, cabbage, potatoes, etc. were imported in greater quantities in 1975. There is absolutely no indication that this trend has changed or will change in the figures for 1976.

There have been many complaints about unemployment in this country. If we are going to adopt tariff policies which will result in increased imports of food—and the trend is very clearly established—then we are putting ourselves in the position of eliminating jobs rather than creating them. We are just adding to our own hardship.

Perhaps one item that should be given some careful consideration is sugar. Not that Canada produces much sugar but it has been the subject of gossip by the Minister of Agriculture (Mr. Whelan). We have to call it gossip, Mr. Speaker, because nothing concrete has ever come of it. On several occasions the minister has said that we should have a sugar industry somewhere in his own area. In spite of that, however, this particular item of business with which we are dealing proposes to reduce the duties on sugar to the point where it would be impossible for Canadians to produce it. During the recent world shortage of sugar I submit that Canadian consumers paid more for it, and sacrificed their desire for it to a degree that would have been unnecessary if there had been a sugar policy to support the industry at its historical levels. I submit also that in the long run the consumer would have paid less for sugar in Canada, as was the case in the United States where they had a sugar policy.

[Mr. McCain.]

Mr. O'Connell: Statistics prove the opposite.

Mr. McCain: Let us have the statistics then, and see if they prove anything of the kind.

Mr. Macdonald (Rosedale): Sure they do.

Mr. McCain: I know what the price of sugar was in Canada during that shortage and what it was in the United States; it went much higher in the United States than it ever did in Canada.

Mr. O'Connell: You are suggesting the long term.

Mr. McCain: I am suggesting the long term, that is right, and I submit that in the short term they paid enough to cover ten years if we had a sugar policy here.

As world demand for food increases and as world demand for sugar increases, Canadians may be very sorry that we do not have a sugar policy. We have not experienced the only high price in sugar that we are going to experience. For the sake of the consumer we need a sugar policy, and for the sake of the farmer we need a sugar policy.

In response to a question in this House the Minister of Agriculture stated that he was consulted about the reduction of duties on agricultural products but that it was so small it did not make any difference. That is a shocking statement to the world of agriculture, Mr. Speaker. Let us examine two or three agricultural items besides sugar where lack of a policy has been detrimental to the national industry.

Let us take the apple industry. In Europe there is an automatic program which guarantees a farmer a specific return for his product to cover a fair wage for himself and his help. We have no such automatic program, so when surplus apple juice appeared in Switzerland about 18 months ago it landed in Canada unprotected against dumping, unprotected against an unfair market price, and of course our apple industry suffered greatly. Do we want to become dependent upon Europe for our apple juice? In the long run it will be expensive. I submit that riding down inflation on the backs of the farmers is about as short term as any policy the government could conceive. You cannot financially ruin the pork and beef industry and the apple and apple juice industries, and expect fair prices tomorrow on the consumer shelves. You can quote all sorts of statistics to justify yourselves, but God help us when the consumer must reap the harvest, must bear the brunt of what you have done. You will need half a dozen Plumptres to justify your existence.

● (2020)

The government has played both ends against the middle most deceitfully. On the one hand Mrs. Plumptre told the consumer what a great country he lived in and how low prices would be under the Trudeau administration. On the other hand, the Minister of Agriculture tried to convince farmers that, if they voted for the government, they would be in Utopia. The government called an election in 1974, and every-

his beliefs and for the manner in which he pursues them with persistence for the good of the country.

Mr. Munro (Esquimalt-Saanich): It is unconstitutional.

Mr. Andres: Much criticism has been levelled at the position of the members in the other place, and the very usefulness of the other place has been brought to attention. The hon. member has made some valid points.

Mr. Munro (Esquimalt-Saanich): Name one.

Mr. Andres: He made some valid points in defence of his proposal to abolish the other place. We could well look after things in this House, as he said. I concur in many of these valid points. Nevertheless I believe the hon. member has missed a very important aspect of our society, namely, our freedom. I should like to bring one saying to his attention, namely, that the price of freedom is eternal vigilance. This is something that we should all keep in mind and understand. Members of the other place stand there vigilant when we in haste, and sometimes with some political expediency, move in a rational or an irrational manner. It is the members in the other place who bring us back to our senses. I appreciate the other place and the reason for which these people were appointed.

Much has been said about democracy and about the fact that the abolition of the other place would be undemocratic. But words must be followed by action, and I believe very firmly in the democratic process. At the same time I recognize fully that democracy is a cumbersome form of government. However, it is a government that represents the people. In my view the abolition of the other place would be another step toward the loss of this protection of our freedom. If the hon. member for Winnipeg North Centre were successful with his proposal, I would not be a bit surprised if before long he or his kind were to introduce another bill, but this time a bill to abolish this place—

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): Not Stanley, he would not do that.

Mr. Andres: However, I do not think the hon. member will be successful as he has not been in 30 odd years. Even though he thinks he has made some progress on this issue, I submit he has not because in fact the other place has been strengthened in the few short years that I have been here, during which time I have come to appreciate and respect what the other place stands for and to appreciate the diligence of the members of the other place in their committee work. I feel it is an honour to have an Upper House which is our bulwark for freedom.

Some hon. Members: Hear, hear!

Mr. Andres: Much has been said in our various provinces and other countries about the abolition of an upper house, but let us not forget that in some other countries elected representatives have been abolished and totalitarian governments reign. I hope we will never see that day in this great country of ours where we enjoy freedom. I hope we will never have that type of dictatorship or totalitarian regime.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Question.

The Acting Speaker (Mr. Ethier): It being six o'clock and the hour for private members, business having expired, I do now leave the chair until 8 o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-15, to amend the Customs Tariff, be read the second time and referred to Committee of the Whole.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the reason given by the Minister of Finance (Mr. Macdonald) for his failure to renew certain of the reduced duties was that this was designed to create employment. That is a very logical and proper reason, but let us consider one of the industries which will be badly hurt by the lack of protection from duty, namely, the meat packing industry.

The meat packing industry has annual sales of over $3.5 billion. It is third largest of all manufacturing industries. It ranks second in the cost of material used, amounting to almost $3 billion. The materials are produced locally, Mr. Speaker. It spends $6 million every day on livestock and employs a total work force of nearly 33,000. Salaries and wages amount to $337 million annually; it contributes $20 million annually in taxes, and spends $20 million for fuel and electricity. I think these credentials establish that if any industry should be protected for reasons of employment and contributions to the economy, it should be the meat packing industry.

● (2010)

If we do not protect the producers of the raw material in that industry, employment is affected, and I submit that the items which have been reconsidered because of their employment capability rank well below the meat packing industry. This does not say anything about the hardship that will be

[*Translation*]

Mr. C.-A. Gauthier (Roberval): I will be brief, Mr. Speaker, because I do not want to kill the legislation introduced by the hon. member for Winnipeg North Centre (Mr. Knowles). Besides, that would be a lack of courtesy on my part if I wanted to kill his bill, and I want to congratulate him for his stubbornness. Every year since I have been in the House of Commons, the hon. member for Winnipeg North Centre has introduced this bill aimed at doing away with that famous old institution—the Senate.

Today, I believe he is just asking for his bill to be referred to the committee for a more thorough study. This is my opinion is very reasonable, for hon. members who have opinions about the Senate could make them known before the Committee on Justice and Legal Affairs.

Mr. Speaker, when we question the people, we get surprising answers. A while ago, I heard someone who probably wants to become a senator try to prove the usefulness of the Senate. I assure you that 98 per cent of the people consider the Senate an absolutely useless institution. I am surprised that the Senate still exists in the federal government because all the provinces have decided that it is a useless institution. The proof of this is that one by one they have all eliminated their second chamber. As someone said earlier, the last province to do so was Quebec. And what fights and discussions there were before this old monument could be eliminated in Quebec! All other Canadian provinces had already done away with their legislative council. People said about Quebecers: Quebec is the most royalist of all the provinces of Canada since it is so attached to its legislative council.

Another reason for my surprise is the fact that the federal government has always more or less shown the way to provinces and that I now realize that it has been given a lesson by all the provinces and that it has not learned from it. Today we are wondering simply what is the usefulness of the Senate. Indeed, all citizens wonder about this. In my opinion, to be fair to the population, we should simply hold a referendum throughout Canada to ask the opinion of the people. Indeed, are we not supposed to reflect the opinion of the people? The government would like to anticipate all the wishes of the big financiers. On the social level, it seems to me that we should be more interested in the opinion of the people.

If by chance this bill were sent to the committee and if a referendum concerning the Senate were suggested, the population could decide if it needs it and if it wishes to keep this old monument. In that case, it would be renovated and kept as other old monuments. But I am convinced, as hon. members all are, that if there were a referendum, 80 per cent of the population would vote to abolish the Senate. This is why I rose in support of the bill introduced by the hon. member for Winnipeg North Centre. In fact, what does being a senator mean? We say it is an honorary title. It is not even an honorary title, Mr. Speaker, it is a dishonorary title because half of the defeated members are appointed there to hide their shame. And it is called an honorary title. Nevertheless, in my opinion an honorary title should be granted to a great scientist.

[Mr. Macquarrie.]

If a great man stands out in society, such a title would give him the opportunity to perform his scientific work or any other important task for 10 or 12 more years. This is not what we do. Right after his defeat, a member is appointed to the Senate.

That is called an honorary title. What is the population expected to think of such a gesture? If only the members of the Senate were elected, they would at least have a few responsibilities. The House of Commons has all the responsibilities as things are, because its members alone are elected and they are accountable to the people. Because the senator is not elected, he has no responsibility; yet he enjoys all the privileges of those who are elected and who have responsibilities; worse still, he has a right of veto on all the House of Commons does.

Mr. Speaker, the right of veto the Senate has today it did not get from the people. I say those who are truly responsible are those the members of parliament who are elected by the people, who are sent here to work for the people. Moreover, they should not shift their responsibilities on civil servants. Today, there is another type of senator, the civil-servant-senator who does the work of the MPs, who takes over their responsibilities though he is not elected at all.

Mr. Speaker, the Canadian people has had enough of these irresponsible groups, of the groups they cannot meet, and who do not care about their opinions. Some people say that senators represent an area, but it is not true. The only thing a senator represents, is his seat in the other place, that's all.

He is like a civil servant. What does he represent? His office, this is all he represents; he has no other responsibility. Those who have the responsibility are those who have been elected by the people. When there are blows, they get them while civil servants laugh at us because they have been given absolute control.

It is about the same with the Senate. They have a right of veto over all our work while the people gave them no authority. We could have an elected Senate, which would be responsible and smaller, as suggested by the hon. member for Winnipeg North Centre (Mr. Knowles), a Senate with 25 or 30 senators. This would be enough; fewer senators would sleep in the Senate, that's all. If we want to keep this monument, let us make it smaller, but at least let us have elected senators and let us have them take responsible actions before the people of Canada. This is ultimately why I agree with the hon. member for Winnipeg North Centre that this bill should be referred to the Committee on Justice and Legal Affairs so that at least hon. members can go before the committee and speak about this matter.

● (1750)

[*English*]

Mr. Wm. Andres (Lincoln): Mr. Speaker, it is a privilege for me to enter the debate this afternoon. I do not wish to be unduly long, and in fact I shall try to be brief. However, first I should like to commend the hon. member for Winnipeg North Centre (Mr. Knowles) for his perseverance in putting forward

That was even before the hon. member's time and a good deal before mine. They came up with a lot of things that they were going to do for Canada, and very prominent in their list of promises was reform of the Senate.

The Liberal party has now gone so far that the Prime Minister (Mr. Trudeau) has shown the greatest generosity in saying that if a Progressive Conservative senator would retire, "I will be glad to consider putting a Progressive Conservative in his place." We have such a large contingent over there that I thought that was a very generous gesture! The Prime Minister said in the throne speech in the last session, as reported at page 44 of *Hansard* for October 2, 1974:

> Hon. members opposite talk about partisan appointments. This is a serious matter which I have already had the opportunity to discuss several years ago with the authorities of opposition parties, and I had then suggested and I repeat my suggestion today, that if indeed the senators of the Progressive Conservative party, of the Tory party, who wish to retire from the Upper Chamber, refrain from doing so because they do not want to be replaced by Liberal senators, I repeat what I told several years ago to Senator Flynn who, if I am not mistaken, represents the opposition party in the Senate, that, for my part, I would readily appoint Progressive Conservatives to replace the Progressive Conservatives who voluntarily retire from the Upper Chamber.

I interpolate that in the case of those who die, of course, there will not be that treatment. Apparently Prince Edward Island is excluded because when a Progressive Conservative senator did retire voluntarily he was succeeded by a member of the Liberal cabinet of Prince Edward Island. I have no special feeling about that.

I think one way to reform the Senate is to make it a more useful body. I noticed that when His Excellency the Deputy Governor General was reading the prorogation speech it pointed out how often this Chamber met and how less frequent were the sessions of the Senate. I think more legislation could be introduced and processed there. I think the present government is often quite contemptuous of the Senate in tossing legislation over to them, giving the senators two or three hours to deal with matters of great national emergency. I think that is very bad.

I want to reiterate what has been said many times, Mr. Speaker. The Senate in its committees has done, in my opinion, excellent work. Today I was looking over the Senate Foreign Affairs Committee study on relations between Canada and the Commonwealth Caribbean. I had that in mind because a very distinguished Jamaican is visiting Ottawa and I will have the honour of chatting with him tomorrow. That is an excellent and careful study which reflects balanced, wise, and helpful judgment. It is highly regarded by leaders in the whole of the Commonwealth Caribbean and has given us great prestige in that someone has given thought to an important matter. I think what that committee has done in many areas of foreign affairs has been very useful.

The hon. member who preceded me spoke about numerous other studies which have been very helpful. I think the Senate should take advantage of its more informal procedures to deal with more issues. I have often thought it would be an excellent thing for the hon. member who moved this bill to accept an appointment to the Senate. They are more casual about procedure there and he would be of great help to them on many matters.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Macquarrie: Yes.

Mr. Knowles (Winnipeg North Centre): Isn't he my friend? Why does he suggest that?

Mr. Macquarrie: I think it is also because I am a friend of the Senate. He could join an ex-colleague. I used to hear a former member for Assiniboia wanting to abolish the Senate two or three times a session. He now sits over there as Senator Hazen Argue. The hon. member would also have other friends. Senator Eugene Forsey not only became a senator but a Liberal. He was not always so. There would be lots of opportunities for him.

Perhaps one of the flaws in our system is that we are occasionally a little casual about improving our rules of procedure. As the hon. member for Comox-Alberni (Mr. Anderson) has stated, we all know very well that while, strictly speaking, and in terms of the constitution, this second body has an absolute veto, it keeps its position in our structure by not using it, or as Senator Forsey has said, by not acting like madmen or fools. I think it would be wise to reform the Senate by removing that veto or making it applicable for a limited time. To have an absolute veto that they do not use for political reasons strikes me as not being a very good structure. I think some improvement in that regard could be made.

I think the hon. member's bill will not get support. While there are many things we could do to improve the life of the Canadian people, I doubt whether the destruction of the Senate tomorrow would really benefit many Canadians. It would do very little for the people who were disbanded, even if they were pensioned off, as has been suggested.

• (1740)

To write off the long-established Senate of Canada and say it is useless and makes no contribution is, I think, with all due respect, a bit myopic. I know it is a good subject for humour. I remember discussing the dear old chap who was there until he was 104 years of age and who was accused of never having made a speech in his life. That was contradicted. He said he made two speeches, one the day he came there when he denied that his appointment was a result of political corruption, and one on the day when he was congratulated on his 100th birthday. But he always obeyed the bell. It is such a gentle bell over there. It is so different from ours that it almost makes one have longings.

The hon. member has given us an opportunity to debate an old chestnut. I admire his tenacity and respect his views, but I hope his drastic, destructive action will not be supported by this Chamber.

Mr. Anderson: That number, 104, relates to the number of seats allotted to the various provinces as they entered confederation. As a member from western Canada, I feel somewhat relieved that there are 24 senators from western Canada in that chamber. If we ever did get into a bind, they would be there. I hope we shall never get into a situation where they are needed, but I cannot prophesy what will come about in the future. Even the hon. member for Winnipeg North Centre, with his great wisdom, cannot prophesy the future except, possibly, that he will be here for another 34 years, which might be not so much a prophesy as a statement of fact.

Although I disagree with the hon. member's bill, I hope that some time in the future discussion can be held as to the role of the Senate, so that not only members of this House but the people across Canada will have an opportunity to consider the operations of that body. As things are, very few Canadians really understand its purpose and function.

The hon. member for Winnipeg North Centre probably expresses the views of the majority of Canadians when he states that the Senate should be abolished, not because those who hold such views are basing them on any personal knowledge of the subject; their attitude arises, I suppose, from the failure of the Senate to do a very good job of justifying its existence. Nor have we acknowledged sufficiently the importance of the investigations which the Senate has carried on to help this House in innumerable ways. Senators have been able to do a great deal of work with which we would otherwise be saddled.

These things should be made known to the people of Canada so that they would have some basis upon which to determine the value of the Senate and its place in the constitution. Is it to be regarded as a body of men who merely sit over there in their latter years, waiting for the grim reaper in very comfortable conditions, or is their expertise and experience being used for the benefit of the people of Canada? I have already referred to the aid they give to the House of Commons. Might the abolition of the Senate only create an extended form of bureaucracy brought about by the need to find others to carry on research or committee work?

There might be ways in which the operation of the Senate could be improved. However, let us not, in the words of the old saying, throw the baby out with the bath water. Let us make the Senate a productive body and then give the message to the rest of Canada.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have memories of participating in debates on similar motions in recent years.

Mr. Knowles (Winnipeg North Centre): The hon. member took part in one in 1867, didn't he?

● (1730)

Mr. Macquarrie: I once told the hon. member who moved this bill that if I were 74½ years old I might give careful consideration to supporting the measure, but for the next 17 years I think I will tend to oppose such a very drastic move as he is suggesting.

[Mr. Knowles (Winnipeg North Centre).]

My hon. friend was doing a little back patting when he said how well he had done over 34 years and how many Senators had gone to their reward. But he should be a little more humble. Not only is the other place still there but it has grown before his very eyes. He has been hammering away at it and it has gone from 96 to 104, so I do not think he can claim to be all that effective, sir.

I think it is a bit drastic to look at an institution and, because we find it imperfect, to say that we must throw it out. That is the kind of pessimism that says we are incapable of improving an institution. Many years ago Walter Bagelot said that if the House of Commons were an ideal place then you would not need the other chamber. As much as I love this institution, I doubt I would go so far as to say it is ideal.

On the other hand I would also doubt that there is not some need for this second look, that sober second thought. The preceding speaker's remarks had certain little subtle implications concerning the founder of our country when he used the word "sober". I can only recall what Sir John A. Macdonald himself said—"that the people of Canada prefer John A. drunk to George Brown sober." He seemed to have been right for a good many years.

Mr. McRae: Neither of them went to the Senate.

Mr. Macquarrie: No, they did not. The question of a second Chamber is a serious one. The American founding fathers spent a great deal of time on this matter. Thomas Jefferson used a rather homely metaphor when he was asked, "Why do you need this second Chamber?" He used to pour his tea into a saucer, as was the custom in those days. He saucered the tea into his mouth and said, "It's a little cooler that way".

I was much impressed when I got the chance to visit the great city of Brasilia, with all its interesting and magnificent buildings, and I discovered that their bicameral legislature meets in a building that looks very much like a cup and saucer. It is a very futuristic city; I am not an architect, but that is what it looked like.

I was talking the other day to a very prominent member of the NDP who told me that he had been over to London to visit the Westminster Houses of Parliament. He went into the gallery of the House of Lords and heard there the finest debates he had ever heard dealing in a fundamental, philosophic, yet very practical way with the great problems that the British were facing. Hon. members have no doubt read excerpts from the House of Lords debates which appeared in the Toronto *Globe and Mail* last week. Those are the debates my NDP friend heard.

I believe we should not forget the capacity for infinite improvement. We should have hope enough to think that we can reform. Reform has been in the air for a long time. In 1893 the first political convention in Canada was held in Ottawa. It was not a leadership convention but all of the Liberals who could get to Ottawa came to a great big meeting.

Mr. Knowles (Winnipeg North Centre): Give me another 34 years and see what happens.

Mr. Anderson: I hope the hon. member is here for another 34 years.

Some hon. Members: Hear, hear!

Mr. Anderson: The hon. member lends a distinction to this House which would be sorely missed if he were no longer here. The only facetious comment I will make is that I assume the hon. member at the time of confederation spoke even more strongly against the creation of the Senate.

Mr. Knowles (Winnipeg North Centre): I was not around at that time.

An hon. Member: Come on, Stanley.

Mr. Anderson: The hon. member has raised a very interesting point, one that many Canadians perhaps consider to be a fault in the way the Senate has been set up, in that it is not an elected House as is the House of Commons. That is the way the Senate was set up originally. We have a great deal of debate in this House by its elected members. If the Senate were an elected House, surely they could speak with power similar to that of the elected representatives in this House. Although it is undemocratic to appoint someone to the Senate in the manner the hon. member spoke of, it would cause a gigantic kerfuffle between the two Houses if both were elected and both had the power of elected members.

Senator Eugene Forsey, commenting on the role of the Senate, said that unless the Senate takes leave of its senses and throws out a bill which a large majority of the people ardently desire, the question of abolition of the Senate will remain purely academic. The Senate knows it does not have enough political clout to do anything of the sort. In other words, the Senate may be undemocratic in the sense that it is not elected, but by the same token it realizes it is part of the process. It knows it does not have enough political clout to override the views and wishes of the House.

On the question of more power for the Senate, Senator Forsey covered this very well when he said that if you gave it more power there would be more power to make a nuisance of it, which is not what it should be. Making it an elected body would certainly do this. He said an elected Senate would claim to be just as representative of public opinion as the elected Commons, and would proceed to throw its weight around.

● (1720)

Many people in Canada do not understand the Senate. They regard it as a rest home for retired politicians—

Mr. Knowles (Winnipeg North Centre): And for defeated politicians.

Mr. Anderson: —a rest home for people who deserve well from the community by reason of their outstanding services. But let us go back in history. As the hon. member said, Sir John A. Macdonald, when the functions of the Senate were under discussion, said it was a chamber for sober second thought. I have always thought this was an amusing phrase, coming from Sir John A. Macdonald, and I wish I were sure whether he was being facetious or not. The Senate does perform a function in overseeing legislation. I believe the hon. member for Winnipeg North Centre (Mr. Knowles) would admit that very useful amendments have been brought forward by the Senate with respect to legislation which had passed through the Commons.

Mr. Knowles (Winnipeg North Centre): Very few.

Mr. Anderson: But this is not the only important function of the Senate. A number of very useful reports have been made by that body or its committees. I think in particular of the study on poverty in Canada carried out under the chairmanship of Senator Croll. I believe the hon. member would agree that a great many members of the Senate have distinguished themselves in business and private life. Many of them have acquired great experience in municipal affairs, as provincial politicians and as politicians at the federal level. This knowledge and experience shows itself in reports such as the one to which I have referred.

The hon. member for Winnipeg North Centre glossed over the fact that the Senate was brought into being for a specific purpose. The maritime provinces and Quebec felt there had to be a chamber where representation was not based simply upon numbers of population. It was evident even in those days that the population of the Maritimes was not likely to be substantial compared with, say, that of Ontario. In the early days of confederation it was feared in Quebec that the population might be greatly exceeded by that of Ontario, and that the strength of the representation in the Commons would be greatly diminished if the population of Ontario rose disproportionately. For this reason a proposal was adopted which ensured the presence of a guaranteed number of senators from Quebec, supposedly to look after the interests of that province.

Mr. Speaker, the Maritimes' population certainly has not increased proportionately with the rest of Canada. The hon. member tells us there is no longer much concern about the need for regional representation based on population. I am not so sure. I do not know anyone who can guarantee that the situation which the builders of our institution had in mind so long ago could not arrive, at a point in our history, where strong regional interest was involved, perhaps in the Prairies, perhaps in the Maritimes. When Quebec, the Maritimes and Ontario entered confederation they were allotted 24 representatives. The basis upon which these seats were allocated remains unchanged to this day.

The hon. member says that 104 people seated in the Senate is too many; that their maintenance is too heavy a burden for the taxpayers of Canada to pay. But as I understand him, he is not directing his criticism to numbers. What he is saying is, abolish the Senate whether it is 104, 50, 25 or 5.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

True, it was prepared before he had any notion that he might be summoned to that other place. In that memorandum he said that the Senate of Canada is the most undemocratic institution in the world. He went on to point out that it has unlimited veto power; it can say "no" to a decision of the House of Commons not just once or 100 times, but a thousand times. He said it in typical Forsey language, and I think he was right. The Senate as we have it in this country is as undemocratic as it can possibly be. Senator Forsey did not mean, and I do not mean, that the persons now in the Senate are undemocratic in their approach to things. What we are talking about is the structure, the constitutional provision which allows the will of the elected people to be overridden by those in the other place.

Sometimes persons who discuss this question with me say, "But you fellows in the House of Commons make mistakes now and then; it is good to have somebody else giving those matters sober second thought." It is a plausible argument; but by what right do those individuals in the other place have the authority to reject what we do? I point out that some in the other place have tried to get in here, into this House. Perhaps they ran for re-election and were defeated. In other words, the public said they did not want those persons in the Parliament of Canada, but they got in through the back door.

I suggest, also, that there are many more conflicts of interest in the other place than have been identified in this place. I think it is particularly unfortunate that matters involving banks, financial institutions and company incorporations are dealt with in that body which has the same authority as we have but which includes many persons with an interest in a number of those institutions.

● (1710)

It is sometimes argued that there are good persons over there, men and women who do good work on committees. They do. Some of their committee reports have been quite useful. They have gone into their subjects very thoroughly. However, I do not see why we should maintain 104 persons on the full pay that goes with being a senator and all the pension benefits that are down the road so that 15 or 20 can do good committee work. There are many professors, academics, businessmen, trade unionists and other people around the country who can be seconded for the kind of committee work that needs to be done. As I say, maintaining 104 for the work that 25 or 30 of them will do is surely not common sense.

I do not see the argument for reform that persons sometimes put forward. In fact, it often happens in the debate that takes place on this bill of mine. Some members will say that this member goes too far, that there are things wrong with the Senate, but let us reform it. Once in a while they start a debate on Senate reform in the other place, but they never finish it. The only reform that seems to have any logic is to provide for the senators to be elected in some way. If we were to do that, if we were to give them the moral authority of being responsible to the electorate, we would add to the stresses and strains of government in this country to no end. We have enough difficulty now in the conflict between the executive and parliament and between the parliament of Canada and the various legislatures without adding another conflict of two Houses with equal authority in terms of their being elected. I think the best answer is to look at the possibility of a unicameral parliament, namely, one House which can be responsible to the people of this country and do this nation's business.

At one time in our history several of our provinces had an upper chamber, but they were done away with one by one. The last one was that in the province of Quebec. How did they get rid of them? In some cases they pensioned off those who were there. That might seem to cost something at the moment, but the cost would be quite minimal compared with what it costs to maintain the Senate in perpetuity. Another argument that is sometimes used is that we have always had it, and therefore we should keep it. That argument keeps us doing a lot of things. I have had members around here ask me about certain reforms that ought to be made in this place. I sometimes have to say I have been through that half a dozen times over the last few decades. It just seems to have been around here for some time and that is why we keep it. That is no argument for the Senate.

It has been argued that the Senate is a place of sober second thought. The people who do the sober second thinking about what goes on here are the people of Canada, not some individuals who, as I have already said, are responsible to no one. There are those who still trot out the argument that in some way the Senate protects minorities. Sir, it does not protect anything. Certainly it does not protect minorities. Minorities are protected in this House where we are responsible to the various groups in the country. The other place where minority rights are protected is the courts.

All told, the case is a good one for revising what the Fathers of Confederation came up with 109 or 110 years ago, and doing away with the other place. My bill proposes this. It is very precise as to the changes that should be made to the constitution. It even has in it a precise date when it should come into effect, namely, July 1, 1977. In other words, Their Honours can have another seven or eight months. I know that the possibility of that happening is not great. However, I do think it is a serious question which we ought to be discussing in these days when we are concerned about the structure and nature of the Parliament of Canada.

I hope, Mr. Speaker, that this bill which proposes the abolition of the Senate will at least receive the approval of this House this afternoon, so that it can be sent for study to the Standing Committee on Justice and Legal Affairs.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to congratulate the hon. member for his tenacity in bringing forth this bill over a period of 34 years. It certainly indicates one thing: although they keep replacing the senators who came in during the hon. member's first years in the House, he may be winning one battle in that they are no longer here. However, the hon. member no doubt sees they are being replaced by other people. Although the hon. member's tenacity is there, he is not gaining too much headway.

order paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

BRITISH NORTH AMERICA ACT

MEASURE TO ABOLISH THE SENATE

The Acting Speaker (Mr. Ethier): Order No. 1, in the name of the hon. member for Lotbinière (Mr. Fortin). Shall the order stand at the request of the government?

Some hon. Members: Agreed.

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-202, to amend the British North America Act, 1867 (abolition of the Senate) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, if members of the House were prepared to proceed immediately to a vote on this matter I would, of course, withhold my speech, but it has been indicated to me that there are one or two who have views other than mine.

Sir, the purpose of this bill is quite clear. It would, among other things, change section 17 of our constitution, the British North America Act, to make it read:

● (1700)

There shall be One Parliament for Canada, consisting of the Queen and the House of Commons.

In other words, the clear purpose of this bill is to abolish the Senate. I am sure this bill does not come as a surprise to hon. members. I have not counted the number of times I have introduced it. Before I drafted the actual bill I used to bring in motions and resolutions of one kind and another; therefore, I suppose it can be said that since the time I came here I have been arguing for the abolition of the other place.

Someone said to me a while ago that I was not being very effective, that I had been arguing for the abolition of the Senate for 34 years and it is still there. I replied that perhaps I had almost succeeded. Out of all the members who were over there when I first came here and called for the abolition of the Senate, only three remain. So in one way or another we have got rid of most of them. The job is almost done. True, there are quite a number of vacancies in the other place. Perhaps they could just be left. Those vacancies could act as a sort of carrot to induce certain persons to behave, but perhaps we could get rid of the other place in that way.

Seriously, Mr. Speaker, I hope that some day—and I do not see why this should not be the day—the House will at least let this bill go to the appropriate standing committee for discussion of this matter. Not all members of the House agree that the Senate ought to be abolished. But surely in these days when questions are being asked about parliament, democracy and democratic institutions, it is a reasonable proposition that we, in the elected House of this parliament, should look at the provision of 1867 for another place and decide if that place should continue. It is my strong view that it should not.

When I ask that the bill be sent to the appropriate committee, I admit that there are arguments both ways. In fact, there are so many arguments and there is so much to say that we can hardly make a decision in the space of one private members' hour. That is why I plead seriously with the House. I submit that instead of talking this proposition out, the House should allow it to go, either as a bill or as the subject matter thereof, to the Standing Committee on Justice and Legal Affairs for study by members of that committee.

Although I said there are arguments on both sides, and I do recognize that, so far as I am concerned all the arguments are on one side. I believe in democracy. I believe in this country being governed by the people and I think we have devised the right way for being governed by the people, namely, government by elected representatives who pass the laws and discuss the issues which concern a land such as ours.

Perhaps 109 or 110 years ago it seemed appropriate, in a day when the House of Lords was an important institution in the United Kingdom, that we in this country should also have a second body to look at what is done by elected representatives in this chamber. Surely Canada has grown up. Surely democracy has grown to the point where there is no case for the proposition that a group of men and women responsible to no one should have veto power over what is decided by those who have been elected by the people of this country. I emphasize that once a person is appointed to the Senate he is responsible to no one, not even to the prime minister who named him. He is there until age 75. Some of the members in the other place were appointed when the time limit was life itself. They are living out their appointments.

The concept of a democracy which does not go all the way does not, in my view, fit into our thinking today. If we believe that the people have been right to enjoy responsible government, the only persons who should have a say in the making of our laws should be those who are responsible back to the electorate, the people of Canada. I am not suggesting that all the things the Senate does are wrong and all the things this House does are right. I am not suggesting that mistakes are not made in this place. But, sir, every three, four or five years we have to go back to the electorate, back to the people of Canada for their verdict as to whether we should carry on. At the same time, we have this archaic set-up in which a group of 104 men and women—assuming all the places are filled—have the unquestioned right to veto and defeat any decisions made in the House of Commons, and they do not have to answer to anyone. To me that set-up is as undemocratic as it can be.

I am not the only one who makes extreme statements of that kind. I have in my possession, although I do not have it with me at the moment, a memorandum on the Senate which was prepared a number of years ago by Senator Eugene Forsey.

will be able to bring home to the cabinet the importance of many of our western products. I am counting on her to do that.

I have endeavoured to examine the various schedules in Bill C-15 to find out exactly what is being changed, from what it is being changed and to what it is being changed. I challenge any hon. member within half an hour to 45 minutes to decide what is being done. In some cases I suggest that nothing is being done. On page 6 of the bill we see references to cabbage, onions, green peas, rhubarb and green onions, all of which are fresh vegetables grown in my riding and in the lower mainland of British Columbia by small farmers and market gardeners who want to stay in business. I find that the duties set out are little, if anything, different from the duties set out in the book by Michael P. McGoldrick, entitled "Handbook of the Canadian Customs Tariff and Excise Duties." I made an attempt to go through that and compare it with schedule I of this bill, but it was quite a challenge. I should have liked another couple of days to go over it item by item to see if changes were being made and, if so, in what direction. If I found anything, I found it is not being done in the direction of protecting Canadian industries.

● (1650)

This government prides itself on having taken measures to encourage Canadian industry to develop—the Canada Development Corporation and the Foreign Investment Review Act. That is fine. But with Canada's natural industries the government is doing just the opposite; it is destroying some of our most important industries, those on which Canada has counted and on which we should continue to count for our survival.

The beef industry is being driven out of business. Now the fruit and vegetable producers will also suffer through the failure of the government to take adequate measures to have the tariffs change as the season progresses, first from the south up the Pacific coast to British Columbia, and then east and into the next big fruit and vegetable growing area, the Niagara peninsula.

I hope the minister will take note of my remarks and that appropriate changes will be forthcoming in committee whether it be the standing committee or a committee of the whole House. It disturbs me to think of second and third generation Canadians who have put their energies and finances into these important industries now being driven out of business because of rising input costs. Even water for irrigation is becoming more and more expensive on the peninsula where I live. So are fertilizers and transportation. The charge on the ferry from the island to the mainland has doubled within the last six months. This, of course, will affect the cost of transporting goods. But even on the island we should be able to maintain these industries instead of watching them disappear.

I conclude where I set out, Mr. Speaker, by saying that the unfortunate effects of this legislation will be to destroy many of Canada's natural industries—I choose my words carefully in saying "Canada's natural industries"—because it does not provide the protection they so desperately need.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I am sure that when the Minister of Finance (Mr. Macdonald) introduced this item of business to the House it was with a high degree of confidence that it would go through without very much, if any, consideration. One reason it has to be considered, however, is the minister's remarks as he explained and justified the bill, I think they bear repeating, just to brush up his memory a little bit. As reported at page 466 of *Hansard* for October 26, he said:

> The principal provision of this bill will continue, until June 30, 1977, a number of the temporary reductions which were first introduced as an anti-inflationary measure in the budget of February 19, 1973, and which had been scheduled to expire on June 30 of this year. Several food products have been added to the list of items on which temporary tariff cuts were in force prior to June 30. These include fresh pork, ham, bacon, macaroni and other pasta products. In addition, deeper cuts than those previously in force have been made on certain canned meats.

In view of the fact that the pork industry of Canada is again in a low income cycle and is about to go through the process of losing between $10 and $25 per carcass, this is certainly an unkind bill, Mr. Speaker. The statistics and market trends were on hand the day this bill was introduced, so it should have been withheld and revised.

Some hon. Members: Hear, hear!

Mr. McCain: When one considers the number of pork producers there are in Canada, I think I should read a little further. The minister said:

> I should mention, however, that tires, tubes and scissors—

Let us not forget the scissors.

> —have been dropped from the list because it was judged that the tariff reductions previously in force were causing serious problems for Canadian producers and adversely affecting employment in Canada.

Is the minister not aware that the pork industry employs people, Mr. Speaker? Is he not aware that pork producers are losing money they cannot afford to lose?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Parkdale (Mr. Haidasz)—Health—Swine influenza—Report of advisory committee—Reason for delay of mass immunization program; the hon. member for Winnipeg South Centre (Mr. McKenzie)—Auditor General—Implementation of recommendations of independent review committee—Government position.

It being five o'clock p.m., the House will now proceed to the consideration of private members' business as listed on today's

earlier one. This is the problem. I assume it is a combination of stupidity and unwillingness on the part of the government to recognize this problem of the growing seasons varying across Canada, and failure to recognize the west—I am surprised that there are no voices on the other side objecting to this—which has caused the government to ignore these industries.

It just so happens, to choose one particular fruit, that strawberries come to season on the west coast earlier than they do in the east, for obvious reasons. They come to season even earlier in California and New Mexico. But what happens? The strawberries from California and New Mexico are imported into Canada under favourable conditions, but when they come into fruit on the west coast there is no protection for them and they have to compete with strawberries from the United States and Mexico. The same thing happens with tomatoes. Our agriculturalists on the west coast are closing up shop for this very reason. If this government has any intention of providing us with long-term, home grown food, they are not going about it in the right way with these revisions to Customs Tariff.

● (1640)

Flowers, I insist, although one of the pleasanter things of life, are still a part of life even though they are not food. Our Christmas holly is being undersold in the eastern market—which is a big market—simply because that particular product is not protected by tariffs at the right time.

I think, also, of the intervention of the hon. member for Okanagan Boundary (Mr. Whittaker) when he was speaking on October 26. He was speaking of the amount by which imports to the United States and elsewhere of various agricultural products have increased over the past few years. I would like to quote from page 472 of *Hansard* for October 26 as follows:

—in 1975 Canada imported 370 per cent more berries than in 1973. Some 58 per cent more apples were imported in 1975 than in 1973, 200 per cent more honey, 74 per cent more jams, 294 per cent more chicken, 33 per cent more canned ham, and 1,086 per cent more tobacco—

I will not go into the question of tobacco, but here we have natural Canadian industries which are being driven out of business. I just do not understand what this government is trying to do. I am fearful to reach the conclusion that it is deliberately trying to drive Canada into the import business rather than the export business. For example, I have here a letter from the former minister of national revenue, dated June 27, 1975. I had been raising this question for three or four years. The letter deals with plants, flowers and the horticultural industry and says that seasonal duties do not apply to cut flowers nor to plants, and that the value of the duty of these goods is determined in the same manner as for other imports into Canada; that is, duty is collected on a fair market price or the selling price, whichever is lower. It also says that fair market value under Canadian customs law is the open market selling price of like goods in the country of export at the time of shipment to Canada.

All right; but there are no seasonal duties imposed to protect the Canadian industry. Surely there are enough specialists in the Department of National Revenue and in the Department of Finance to determine the level which would guarantee the survival of Canadian food-growing industries. The hon. member for Battle River and the hon. member for Vegreville talked about the beef industry. Vegetables have to go along with beef. There is cabbage and there are potatoes; I do not want to look into the potato business to find out how many potatoes are being imported into this country when there are perfectly good potato-growing areas here. We have them in my own riding. There are also areas for growing apples, tomatoes and cherries.

This government has to look both longitudinally, from the west to the east, and latitudinally so that it will know the differences in climate in this country. Here, in the east, there are recognizable differences; there is snow on the ground in the winter, and there are bright, hot and humid summers. But the growing season starts earlier in the west, and as soon as the government realizes this I hope it will protect the industry which is the backbone of that area.

I assume some help is given to the agricultural industry in the Niagara peninsula, but that does not help the industry in British Columbia. The pricing of goods on the eastern market, which is a big market, is a complex thing. There are freight rates and duties, and these matters must be taken into account in determining the price on the market in the east of products coming from as far away as British Columbia. For example, the Christmas holly growers on the west coast have been complaining about transportation costs. The Department of Transport has changed the manner in which freight rates are calculated. They used to be calculated on the basis of weight, but now it is on the basis of volume. Surely hon. members recognize that a large package of holly weighs very little but takes up much space. This underlines the transportation problem as goods come from the west coast.

In addition, the cost of fertilizer has gone up. With regard to greenhouses, I am sure the cost of glass has gone up. The cost of heating has gone up. We have a benign climate on the west coast, but it is not totally benign; we have to provide heat from time to time; we have to heat our greenhouses in order to bring on products so they can reach the market in time.

Another matter which is of concern in my riding is the nursery industry. Nurserymen have been complaining to me about the different ways their products are imported, and about the lack of protection they get one way or the other. For example, imported, potted plants for starting come in untaxed if they are in pots. If the nurserymen in my riding can grow from seed and want to pot their plants for selling, and have to import these small pots so that the plants may be sold in suitable containers, the containers themselves are taxable; but potted plants with the same kind of plastic container are not taxable. This is grossly unfair. The containers are not always available in Canada, and some of them are not of the quality required for proper merchandising.

I cannot help asking why this is so. It demonstrates neglect of the west, for one thing, and I hope that with the presence in the cabinet of a British Columbia member, the Minister of State (Fitness and Amateur Sport) (Mrs. Campagnolo), we

undertake to review this tariff item with a view to reducing or removing it on these pieces of equipment, because they are in wide use and the demand is indeed growing.

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, in rising to speak on Bill C-15, the adjustments to the Customs Tariff, I should like to limit my remarks to an appeal to the Minister of Finance (Mr. Macdonald) to remove the customs duty on some specific cultural items. Since the announcement of the federal government's official policy of multiculturalism five years ago this month, we have witnessed increased activity by ethnocultural organizations, particularly in respect of folkloric presentations. Encouraged by the federal government not only to preserve but also to develop one's cultural heritage, and above all to share it with fellow citizens, increasing thereby an appreciation of the cultural richness and national identity, these ethnocultural organizations—I must emphasize that they are non-profit associations—have gone to considerable expense to provide national costumes, rare instruments and other objects for festivals, exhibits, lectures and other cultural activities.

Also, these same ethnocultural organizations either visit other countries or receive visiting cultural groups either on their own initiative or in a spirit of co-operation as directed by cultural agreements between Canada and other countries such as, for example, the recent Canada-Japan cultural agreement. It therefore behooves us to support these ethnocultural organizations, especially those of a non-profit nature, when they request the removal of the customs duty on imported articles unavailable in Canada. I refer in particular to unique and expensive national costumes for dance ensembles in Canada. These are subject to duties under tariff item 52305-1 which carries a duty rate of 22½ per cent ad valorum under the most favoured nation tariff applicable to importations from many countries.

● (1630)

If the costumes are made of 50 per cent or more, by weight, of man-made fibres not containing wool or hair, they are subject to duty at the rate of 25 per cent ad valorem under tariff item 56300-1. Also included are tariff items 53305-1, 56805-1 and 61105-1. I should like to emphasize to the Minister of Finance the fact that the articles concerned are authentically national and are unavailable in Canada. They are hand-made by artists or skilled craftsmen, and incorporate traditional or artistic characteristics that are typical of the geographic region where they are produced. Naturally, they are expensive. A national costume of this kind may cost $500 or more, and when a dance group of 24 people has to use these costumes the cost to their sponsoring ethnocultural organization is great. Surely we should be able to grant these organizations relief at least from customs duty.

I have made similar representations to the Minister of Finance and to the Minister of National Revenue (Miss Bégin), not only the present ministers but their predecessors, since 1969 according to my records. So the excuse that the appropriate officials do not have an opportunity to study this problem is not valid. This afternoon I urge the Minister of Finance not just to recognize the problem and approach it sympathetically but, above all, to grant favourable consideration to a legitimate request for the long-awaited duty-free entry of such cultural items.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my intervention this afternoon is directed toward the thesis that the long-term effect of the proposed tariff revisions will be to destroy many of Canada's natural industries. I shall be directing my attention to the following industries, namely, the market garden industry, the horticultural industry, and the nurserymen, because they are not provided adequate tariff protection. The hon. member for Vegreville (Mr. Mazankowski) who preceded me in this debate drew attention to the fact that the purpose of these revisions is to lower food costs. These are short-term effects. The long-term effects—and they will not be all that long—will be to drive some of these food producing industries, and I have mentioned one in particular, straight out of business because they are not getting the protection they need.

To set the tone for this intervention I will go back to a motion under Standing Order 43 which I have been introducing regularly in the last four years, in the hope that I will get this message home. You will recall, Mr. Speaker, that on the vernal equinox each year since I have been in the House I have made it a practice to present to members of the House daffodils grown in my riding. The snow is still on the ground here. It is more than a symbolic gesture, it is a meaningful one. It was the Minister of Finance who simply said that it was very nice to receive these daffodils. I asked if he had gone beyond that, beyond the daffodils, to the real meaning. I should like to read my motion as it is recorded at page 12043 of *Hansard* of March 23 of this year. It reads as follows:

> That the Minister of Agriculture, in consultation with his colleague, the Minister of Finance, undertake a review of the regulations relating to the imposition of seasonal tariffs affecting fruits, vegetables and flowers imported into Canada so that the fruit, vegetable and flower growers in the garden riding of Esquimalt-Saanich, and elsewhere in the garden belt of Canada, shall be able to continue their commercial operations and provide those of us who have to spend so much of our lives under the snow in the east with the symbol of spring which the daffodils now available to hon. members so graphically provide.

That part of the message went completely over their heads. They were so overwhelmed by receiving the daffodils that they did not see beyond them. For four years now that gesture of mine has been intended to save an industry. It is an industry which feeds us. The thrust of the revisions is to destroy it. The government is killing that industry, it is trying to make us buy our vegetables and fruits overseas. I find this completely unacceptable.

I do not think it is necessary for me to go into a summary of climatology or geography to explain my point to this government. They ought to be able to follow the matter of the latitude and of the sun coming farther north during the springtime. Eventually, in the summertime when the sun is in the northern hemisphere, we have our growing season. Of course, on the west coast we have an earlier growing season, but farther south in southern California they have an even

losing a golden opportunity to strengthen an industry that needs some confidence and stability at this point in time, agriculture which is still one of the primary industries in this country.

We have had ad hoc policies and interventions by this government, particularly by the Minister of Agriculture who asserts that he is the friend of the farmers, which have caused loss of confidence, created uncertainty within the industry and driven producers out of business.

So far as the pork industry is concerned, this particular measure does not augur well for the industry because the tariff reductions on pork and pork products have a rather devastating impact on the pork industry. There are two things that bear noting. First, there was absolutely no consultation with the pork industry in regard to this cutback in tariffs. Second, this move, being unilateral, did not provide a trade-off of existing tariff arrangements with the countries that were affected. It seems to me that as an old horse-trader you usually try to get something to barter. Certainly you do not give something away without getting anything in return. But really that is what has happened. We have given away a protective device, which quite frankly was really a reciprocal device, and we have lost our competitive position. In its response to this measure, the Canadian Pork Council points out that this was a unilateral decision, taken without any consultation or knowledge on their part.

What has happened to the pork industry? Mr. Speaker, pork gradings in Canada have declined by 8 per cent in 1976 over 1975. In western Canada there was a decline of 17 per cent. Prices have fallen dramatically. For example, the price in Alberta in the first quarter of 1976 was $68.63 per hundred, dressed. The price in Edmonton this week was $43.45, and in Calgary it was $43.46. What other industry or sector of our society has been subjected to this kind of reduction in income?

Mr. McCain: Not the scissors industry.

Mr. Mazankowski: Certainly not the scissors industry, as my hon. friend says. It is interesting to note that in his speech the Minister of Finance pointed out that measures had to be taken to protect the tire, tube and scissors industry because it was judged that the tariff reductions previously in force were causing serious problems to Canadian producers and were seriously affecting employment in Canada.

● (1620)

We have a situation in which the scissors industry is regarded as being more important in this country than the livestock industry. That is a shame, Mr. Speaker. We have just come out of a situation in 1971-72 when the price of hogs was from $25 to $30. The interesting fact is that in the United States the number of hogs is on the increase, and our imports for the first seven months of 1974 represented 20,269,000 pounds; in 1975, 55,478,000 pounds; and for the first seven months of 1976, 90,905,000 pounds.

That is what has been happening in the pork industry. The confidence of this industry, which enjoyed a bit of stability for a couple of years, has now been rocked. This measure serves neither the best interests of the pork industry nor of the consumers of this country. Our negotiators either have done a bad job or have been given ill-founded directions by the government. We are treated, by this bill, to a reduction in the production of the agricultural producers without a corresponding reduction in the input required to produce the product.

In conclusion, I should like to deal for a moment with a specific example. I had an exchange of letters with the previous minister of finance on this particular item. It has to do with the portable corrals, steel corrals, partitions, stalls, and so on, manufactured in the United States and sold in Canada in great quantities. There is an agent in my constituency who sells well in excess of $100,000 worth of this equipment a year. It comes into this country under tariff item 44603-1 which is described as stall panels, cattle gates, alley chutes for cattle, and so on.

I bring this matter to the attention of the House because there is an increased use of steel panels and corrals in the cattle industry both in the production of cattle and, perhaps more importantly, in the handling of cattle. This equipment is also used to a great extent by agricultural fairs and exhibitions. These items are now subject to a tariff of 17½ per cent when they come into this country. The item includes alley chutes, gates, creep-feeders, loading ramps, portable feeders, and bunks, all used in connection with the production of livestock. I want to place this before the House because in most cases machinery and equipment which is used for agricultural purposes is not subject to tariff. I know there are exceptions, but generally speaking there is no tariff on machinery of this nature.

Moreover, I believe it is interesting to note that we have a fairly close balance in respect of agricultural input between Canada and the United States. As a matter of fact, a document which was put out by Agriculture Canada, entitled "Canada's trade and selected inputs, 1974-75" points out that the United States remains Canada's principal trading partner in agricultural input, accounting for 85 per cent of Canada's exports and 84 per cent of Canada's imports in 1975.

The previous minister of finance indicated that a number of Canadian manufacturers were producing this type of equipment. If they are producing this type of equipment, I would hope they would come forward and try to capture some of this business which is available, because to date the dealer in my constituency is unable to find any source of supply on a continual basis and is therefore unable to meet the demand. I might say that the demand is not only in the agricultural industry of western Canada; this company has been selling across the country.

The 17½ per cent tariff is an added input. If there were an industry in this country producing the same type of equipment, I would say by all means it should be protected. But if there is not an industry in this country which needs protection, then certainly the tariff is simply an added cost to the already increasing cost of input in respect of the production of livestock. I would hope the minister and his officials would

capacity to produce. This leads us to the high import sectors such as fruit and vegetables. This is where we get into trouble. There is nothing in the government's agricultural policies which encourages the production of vegetables and fruit in this country. I realize we are limited by climatic conditions, but the imbalance becomes more disturbing year after year. We are presently importing some $500 million worth of fruit and nuts, and between $265 million and $300 million worth of vegetables. Our exports are insignificant.

As a Canadian from the west, where agriculture is the primary industry, I am deeply concerned about our increasing dependence on imported food products. First of all, I think it is politically unwise for us to become so dependent on imported products to feed ourselves. Second, I am concerned about the fact that an important industry in this country is being destroyed. The Minister of Agriculture alluded to this in his speech in Calgary. One of the things I admire about the Minister of Agriculture is that he must have 12 stock speeches, six of which he uses in front of consumer groups, whilst keeping the others for use in front of producer groups. Nevertheless, he said he was concerned that imported food products were accounting for an increasingly large portion of total retail sales in this country.

He pointed out that of $18.3 billion in total food sales in Canada in 1975, almost $6 billion worth, or 32 per cent, came from outside Canada. In 1975, that figure was about $4 billion worth, representing 25 per cent of total food sales. In 1973, imports amounted to only $2.5 billion, or 18 per cent of the total. Thus, in a period of three years we have increased the proportion of imported food from 18 per cent to 32 per cent, almost double.

What bothers me is the fact that legislation such as we are dealing with today serves only as a further incentive to increase the proportion of imported food in relation to the total food dollar spent in this country. Canada certainly has significant production potential within the agricultural industry. I do not believe we have tapped the true resourcefulness of our farmers and growers. My criticism, Mr. Speaker, is directed not against them but against government policy, since there is no question that given the proper incentive, growers could reverse the trend which is now being experienced. This is alluded to in an article that appeared in the *Globe And Mail* on Saturday, July 10, entitled "Serious gap between output and potential in Canadian agriculture and food production". The article was written by James Rusk. I want to read it into the record because I think it summarizes the plight this industry finds itself in today:

● (1610)

Agriculture and food production in Canada is "in serious trouble and very sick," according to the president of the Agricultural Economics Research Council of Canada, Gordon MacEachern.

The gap between achievement and potential in food and agriculture production is widening, he told the annual meeting of the Canadian Feed Manufacturers Association in Toronto.

"Over-all, agricultural output has seriously declined in absolutes over recent years.

[Mr. Mazankowski.]

For example, as of the first quarter of this year, Statistics Canada reports the index of agricultural production has steadily declined by about 20 per cent from earlier 1970-71 levels.

This, of course, has been a turbulent period, but the rather favourable incentives for crops have not resulted in a significant response to date."

This recent growth pattern comes on top of one of the slowest growths—if not the slowest—in output of any developed or developing country during the period since 1962, a rate of 1.25 per cent a year in farm output, well below that of Canadian food demand.

"This slows growth in agriculture and food exports in volume terms and an increase in volume of imports."

Canada has maintained a net export position for only a few commodities, such as grains and oilseeds, but even in these its output and export performance has remained more or less static.

"Our poor output and export performance stands in marked contrast to that achieved by our neighbours to the south, particularly in the last four to five years, but even longer."

Canadian cost-price structures relative to competitors show that Canadian agricultural and food production has suffered a serious decline in competitive position in the past three to four years.

That results to a large degree, Mr. Speaker, from the unfavourable political climate and the inward-looking kind of agricultural policy that we have in this country. We are committed to contraction of our agricultural potential, rather than expansion. As I said before, one way in which we could counter the requirements for energy that we will have to import into this country is by increasing our productive potential and capacity and, indeed, our export position in agricultural products.

While we have measures here which are designed to reduce the price of agricultural products, one significant fact that bears consideration is that the inputs which are necessary to produce agricultural commodities continue to increase. I would like to cite a government document entitled "News and Features" put out by Agriculture Canada and dated May 28, 1976. This document reviews the increase in agricultural inputs in this country during 1976. It predicts that the price of petroleum products will be up by 25 per cent, that fertilizers will be up by 10 per cent to 15 per cent, that agricultural chemicals will be up 10 per cent to 15 per cent, that manpower will be up 15 per cent, machinery 10 per cent, and interest rates on farm financing will be up. No prediction is made, but we all know that interest rates in this country have continued to increase. Hourly rates for mechanical repairs have increased by an average of from $12 an hour in 1975 to $14 in 1976. The only commodity cited which has dropped in price is baler twine; this was $18 to $20 a bale and it is down to about $10 from a year ago. That is the only decrease.

At the same time, cash receipts in the agricultural industry in 1976 have increased by a mere 1.1 per cent, according to Statistics Canada. This has resulted in a tightening up of the cost-price squeeze which has been a problem for farmers and producers in this country for generations, causing a number of producers to go out of business.

As my colleague from Battle River pointed out, beef producers are going out of business by the dozen. The productive potential of agricultural products in this country has been lost. We are failing to improve our balance of trade by utilizing a potential which should be utilized. Most importantly, we are

that industry. The government applied export restrictions on the movement of beef to the United States at that time because the price was approaching 60 cents on the hoof. However, this government certainly did not bail out the beef producers when the price on the hoof dropped significantly below the production cost of the animal. The minister refused to bring forth a cow-calf program to assist that very important sector of the beef industry. The provincial governments had to assist in an attempt to bail out the cow-calf producer.

The hon. member dealt in detail with the beef import situation which is now affecting us and which is driving the price of our products dramatically below the cost of production. He also referred to the fact that the government fails to recognize this when it simply refuses to institute a beef import law similar to that of the United States. He pointed out it is the only country that does not have protection for its producers.

It is significant to note that in spite of our small population, Canada is the fourth largest importer of beef in world trade channels. What a shame, Mr. Speaker. That is really unbelievable for this country, yet it is allowed to happen under this administration. We have the capacity, potential and know how, but because of our stupid tariff and agricultural policies this country, with only 22 million people, is the fourth largest importer of beef in the world. As I say, it is a shame.

Some hon. Members: Hear, hear!

Mr. Mazankowski: It is obvious that our agricultural policy is not being formulated by the Minister of Agriculture (Mr. Whelan) and his departmental officials; it is being formulated by the Department of Consumer and Corporate Affairs, the Department of Finance and the Department of Industry, Trade and Commerce. This minister has lost his clout. He had a little clout when he aided the Liberals in southwestern Ontario, but he is finished now. The minister has been a total letdown, a total failure. I do not blame the Minister of Finance. He represents an urban constituency with a different community of interest. I am sure he defends that interest very well. However, the Minister of Agriculture has not defended the welfare and the interests of farmers and producers in this country. For that, I am sorry.

Those involved in agriculture are not being well served by this administration. My friend looks me straight in the eye. He knows this and I am sure he feels badly about it. He represents an area where there is a very significant beef industry. I would welcome his participation in this debate, because I know he speaks with sincerity and dedication. He might have some influence with the Minister of Agriculture and other ministers who formulate agricultural policy. The effects of this bill will be harmful to the producers and to agriculture in general.

Trade is a very serious problem in this country. We should be preoccupied with improving our trade picture, particularly in the area of agricultural production and processed agricultural products. Above all, we should address ourselves to improving our agricultural trading position with the United States. This bill certainly militates against that objective; it does the exact opposite; it invites more imports, resulting in a price reduction for our producers at a time when costs of production continue to increase. That is the kind of war against inflation in which this government is engaged. Look at the record. Every newspaper in this country refers to Canada's poor prospects in terms of its merchandise trade. I quote from the August 17 edition of the Ottawa *Citizen:*

> Prospects for Canada's international trade and balance of payments are poor, particularly since the full impact of increased energy prices and imports is still to be felt, a study released Monday by the Conference Board in Ottawa says.

● (1600)

It goes on to say:

> The outlook is for a substantial and increasing over-all trade deficit in energy beginning in 1977 and continuing into the 1980s.

Agriculture is one of our prime renewable resources. Surely that is the ace in the hole when it comes to improving our balance of trade position. We have the capacity. All we need is a healthy political climate. I should like to call attention to an article which appeared in the *Financial Times* of September 27. It reads:

> Canada's share of world exports expressed in U.S. dollars dropped by about one-third to 3.8 per cent in 1975 from 5.4 per cent in 1970. But in the same period, imports as a percentage of spending on goods in Canada rose to 32.9 per cent from 26.1 per cent.
>
> Thus, while Canadian exporters were losing their share of international business, foreign exporters were occupying more of the Canadian market, producing an obvious "scissor" effect.

One way of reversing the trade imbalance is by vigorously engaging in the production and sale of our renewable resources. In 1975 Canada's trade deficit amounted to something like $1.5 billion, and in 1974 it was in the order of $200 million. It looks as though for 1976 it will amount to about $100 million. The picture in relation to agricultural trade is more favourable, but if it were not for the export of grain and grain products, the state of the industry, from the point of view of exports and imports, would be bleak, not to say sick. For example, look at the agricultural trading pattern in 1975. We imported $2.891 billion worth of agricultural commodities and we exported $3.9 billion, which resulted in a favourable balance of about $1.1 billion. But if we exclude grain and grain products which account for $3.1 billion, we find ourselves in a very sorry position.

Take dairy products, a field in which we obviously have potential for increased production, judging from the surpluses which have arisen. In 1975 we imported $58,323,000 worth, while exporting only $36 million. In 1974 we exported products worth $71 million, and imported $78 million. In 1973 we imported almost $90 million worth of dairy products, and exported only $65 million worth. Thus, over a three-year period we find ourselves in a disturbing net deficit position.

Consider the case of poultry and eggs. In 1975 such imports were worth $32.7 million, and we exported $19 million worth. In 1974 imports were valued at $24.5 million, and exports $24 million. In 1973 imports were valued at $19 million, and exports at $17 million. We have the capacity to maintain at least an equilibrium in trade in the products we have the

splitting apart. The fact is that this government is pulling it apart: by putting into effect policies which could deprive hundreds of thousands of people of their livelihood, the government is splitting the country apart. There are in Canada today 100,000 beef producers. Virtually every beef producer is in danger of losing his livelihood because for a long time he has been forced to operate and sell at below the cost of production.

This government has no farm policy and no long-term food policy. Under this government one sees only policies of dislocation in the marketplace, policies introduced in an attempt to justify the anti-inflation program. In the long run, food costs will have to be higher if Canadian producers are not to be driven out of business.

In April, 1976, there were about 300,000 more feeder cattle in Canada than there were in April, 1975. This increased population was brought into being because the minister in charge of the Canadian Wheat Board had initiated a program called LIFT, which should have been called "Goof." The minister's program was designed to entice farmers of this country to seed grainland back to grass. The government established programs across the country for encouraging people to increase their cow herds. The result was 300,000 more feeder cattle in the country compared to the previous year. But almost immediately after the government decided that there should be an increase in cattle herds across this country, the economic situation in the country changed. Even though Canada produced domestically enough beef for this country, the government opened the gates and we became the dumping ground for the cheaper, grass-fed beef of New Zealand and Australia. That policy causes tremendous difficulties, because there was an increase of 90 million pounds of frozen boneless beef being shipped into this country.

The story used to be that Australian beef could not compete with Canadian beef because it was not the same quality. At one time such beef from Australia was raised essentially in the interior of that country. They used to slaughter five-year old animals which had been grass-fed and not fed on grain. Such animals did not find their way into the restaurant trade; they were used in the manufacturing trade. But the case is altogether different now. The beef entering Canada today is of a different quality. It is obtained from younger animals which have been fed by different methods. Such foreign beef competes directly with that produced in this country.

I underscore these facts because there is no long-term food policy in Canada. The rancher today cannot begin to manage his affairs for the long term owing to this government's policies.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, whose allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

An hon. Member: No.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I at the outset of my remarks associate myself—indeed, echo his words—with the remarks of the hon. member for Battle River (Mr. Malone). He spoke forcefully on issues confronting the beef industry. He spoke with a high degree of sincerity and a knowledge which it is evident the government does not possess. I am pleased to note the presence in the Chamber of the Minister of Finance (Mr. Macdonald). The representation of the agricultural community in the Liberal caucus is slight. The hon. member for Battle River gave us an overview of the difficulties of this country's beef industry. Those difficulties are real. The beef industry makes up a significant portion of the agricultural community and is a significant part of our entire economic community.

I also agree with the hon. member's assessment that this government's attack on inflation is tantamount to an attack on the food producing sector in our society. I agree that something must be done quickly if we are to reverse the present trend and not allow the large-scale importation of food products to destroy the viability of our agricultural industry. It is unfortunate that the government tried to use reduced food prices as ammunition in its fight against inflation. The route it has chosen has injured our producers. This bill will have the effect of lowering the price to producers of agricultural products. It raises the prospect of increasing the importation of food products into Canada. Altogether, this has a detrimental effect on our balance of trade and on a very important industry in this country, agriculture.

• (1550)

This bill sets out to create serious problems for the pork industry, the producers of pork and pork products, as well as the fruit and vegetable industry. This government's attack on inflation has been an attack on the producers of this country. As the hon. member pointed out, the whole thrust of this government's war against inflation has been against our food producers. When it talks in glowing terms about reducing the price of food by 3.1 per cent over last year, it simply means that its war on inflation is being fought on the backs of the producers. Its actions clearly confirm that fact.

In 1973 inflation was raising its ugly head and becoming a very serious issue. A food prices review committee was established. That was a standing committee set up by this House of Commons to review the price of food. Other items were contributing very seriously to inflation at that time, however, this government singled out the price of food as being the major component in the inflationary factor. The Food Prices Review Board was established. It, too, singled out food as being the major culprit in fanning the fires of inflation, not to mention anything about the cost of input, such things as labour, transportation and the advent of the user-pay concept. Dramatic increases were taking place at that time, but this government singled out food as the major item contributing to rampant inflation.

In the fall of 1973, when the price of beef went to extraordinary high levels, we saw this government move in and take action, one of the first of many interventions in the beef industry which, I might say, was the beginning of the end of

that it is saying to the heavily populated cities of the country that the government is willing to trade off the producing regions for political gain.

From August, 1974, to August, 1975, Canada imposed import controls on live cattle and beef, but the controls permitted an inflow of 100 per cent of the previous five-year average. This did not give any protection at all to the producers. It is important to notice the price difference between Canada and the United States in regard to the importation of oceanic beef. From August, 1975, when import controls were suspended, it was noted that oceanic cattle were entering Canada at 10 cents to 12 cents per pound cheaper than the same quality of beef going to the United States. This unfavourable price spread persisted throughout the balance of 1975, and worsened in 1976. By April, 1976, Canada was allowing beef to be imported at 16 cents to 17 cents per pound cheaper than beef of identical quality being shipped to the United States. In May, 1976, offshore imports of beef and veal were running 40 per cent ahead of 1975 levels, and by October imports had increased by 60 per cent over the previous year.

This government has the audacity to go around the country claiming that the Anti-Inflation Act is working because food prices have decreased, yet it fails to recognize that anyone who has entered the fourth year of the beef marketing system is selling livestock below the cost of production. I have sympathy for anyone who has to buy a basket of food today. One of this country's objectives should be to produce food as cheaply as possible. That cannot happen as long as the kind of long-range policy we have drives people out of production. We are faced with depressed prices in Canada. Canadian cattlemen will almost certainly be forced to greatly reduce their herds, and in the long run we will have either lost a major producing industry, we will pay higher prices for meat, or even import almost all our meat.

On June 11 Canada imposed what has become known as the infamous six-cent under rule whereby the government unnecessarily made an agreement that oceanic beef cannot be sold in Canada at a price discount greater than six cents under identical quality beef being sold in the United States. This forced Canadian beef prices to floor levels, and will continue to do so as long as the rule is in force. The obvious result is that the government's action has dangerously eroded our trading relationships in beef and veal with the United States. Anyone who has had the experience in recent months of talking to farmers and ranchers in the United States will recognize that this has a very serious and detrimental effect on our traditional trading pattern of two-way trade with the United States.

I think it is very important to underscore the difference between Canada's trade with the United States and that of the oceanic countries. The first difference in our trade with the United States is that it is a two-way trade; not only does Canada export to the United States but we also import. The two countries are producing at about equal cost and have an almost equal standard of living. There is quite a difference when you compare that with oceanic beef with regard to which almost every other beef producing country has established a set of protection quotas. Canada has become a dumping ground.

● (1540)

As an indication of how serious this situation is, let me say, Mr. Speaker, that ranchers today are gathering at meetings all across the country to protest the actions of this government. Nothing can underscore their concern more than the fact that 300 people gathered in Lethbridge two days ago on two days' notice. Mr. Speaker, I repeat that 300 ranchers gathered on two days' notice to voice their concern about what is happening to this country's producers. In my province, Alberta, virtually every day meetings are held in local auction marts and community halls. Ranchers are protesting. They want to know what they can do. They know they are about to lose their farming and ranching businesses if the government's present import quotas are not changed. In my constituency a meeting was held on October 22. Eight hundred ranchers showed up from across Alberta, parts of British Columbia and parts of Saskatchewan to learn what was happening in the marketing of beef and veal.

There is great concern on the part of ranchers because exports from New Zealand increased by 139 per cent this year, and from Australia by 10 per cent. Mr. Speaker, we have literally become a dumping ground for cheap meat so that the Prime Minister can tell the people of Prince Edward Island, Nova Scotia, New Brunswick and southern Ontario that the anti-inflation program is working. He tries to demonstrate the truth of his assertion by saying, "Last year your food bill rose 10 per cent. This year it has risen only 6.2 per cent." The number of items which have actually decreased in price is small. You will find that one such decrease has occurred in a product which the government has allowed to be imported into this country in order to keep food costs down. I am referring to meat. While it is creditable to attempt to keep food prices down, it is not creditable to try to aid one part of the country at the expense of another. That is what is malicious about the present government's actions.

Let us consider some of the facts laid before the House on Tuesday by the hon. member for Okanagan Boundary (Mr. Whittaker). He said, as reported on page 472 of *Hansard*, that Canada has a cheap food policy, something the producer regions of this country know. Mr. Speaker, it is apparent that the government considers those in the producer regions as politically expendable. It does all it can to provide cheap food, despite the injustice such a policy may occasion to a certain part of the country. For example, in 1975 this country imported 83 per cent more dairy foods than in 1973. We imported 370 per cent more berries than in 1973, 58 per cent more apples, 200 per cent more honey, 74 per cent more jams, 294 per cent more chicken, and 33 per cent more canned ham.

In 1974 Canada imported 5 million pounds of chicken from the United States. Figures up to June of 1976 show that Canada imported 22 million pounds of chicken from the United States, or 400 per cent more than in 1975. Small wonder that Canada seems to be eroding at the seams or

macaroni and other pasta products. In addition, deeper cuts than those previously enforced have been made on certain canned meats . . . The temporary reductions proposed in this bill affect imports of consumer goods valued at about $1.6 billion in terms of 1975 imports.

The following is the important part:

Close to half of these are in the food sector, about $727 million worth.

So we see that while ranchers and producers on the prairies enter their fourth year of operating at below cost of production, this callous and insensitive government is willing to consider them politically expendable simply to give the appearance that the Anti-Inflation Board is working. In other words, the idea that we have cheaper food because the AIB has been successful is simply a fabrication. The truth of the matter is that any cheap food we have in this country is here because we have imported it at considerably cheaper rates, and in the process of doing that we are literally destroying whole regions of Canada and the production which takes place in those regions. What is happening is that the sense of power of this government has caused it to feel that it can write off an area of Canada.

In terms of seats, the Liberal government does not have much power from the prairies, so it feels it can write off the prairies. The government knows that there are more members from Montreal and Toronto than there are from all three prairie provinces combined, so it imposes an import quota which allows this country to bring in cheap food. That is literally destroying the backbone of the economy of the prairie provinces. Similar statements can be made for the Atlantic provinces.

To some extent I sympathize with the Minister of Agriculture (Mr. Whelan) because I realize the bind he is in within the cabinet. In response to a question asked yesterday by the hon. member for Medicine Hat (Mr. Hargrave) with reference to the 6-cent under clause on frozen meat from Australia and New Zealand, the minister responded by saying that new negotiations will take place. He said he hopes the result will be that meat shipped to Canada will be sold at a price no different from the price of meat shipped to the United States under the quota system which has been imposed.

It is interesting to note that when he was speaking to the Cattlemen's Association here just two days ago, it was admitted by one of the top economic authorities of the Department of Agriculture that the department had never favoured the 6-cent under clause. The truth of the matter is that the minister obviously lost out in cabinet. Perhaps with good intentions the minister was trying to protect our agricultural industry, but so it would appear that the AIB was working, farmers, ranchers and producers of apples and other products were simply sold down the river.

● (1530)

Since 1969 Canada has imported about 7 per cent of its domestic consumption of boneless beef. Traditionally, these imports were of low quality and did not compete directly with Canadian products. After 1974, however, following a period in which the government encouraged ranchers to increase herd sizes, there was a growing importation of medium and high quality beef in direct competition with domestic production. The nature of that activity placed us in direct conflict with our traditional trading partners, namely, the United States of America.

Because of lack of policy in respect of quotas of meat coming in from other countries, Canada has become almost an enemy of the United States in the area of trade in meat. Anyone who talks to the producers, farmers and ranchers of the United States knows they are angry at Canada for dumping meat on a run-through from oceanic countries to Canada and then forcing the meat of Canada to be dumped into the United States. Canada, a country that has the capacity to produce enough domestic beef to meet its requirements, is the only nation in the world with no controls over the quantity of imports. All other major beef producing nations impose effective import controls. I think it is absolutely shocking that Canada, as a major meat producing country, is the only country without import controls.

Let us look at some examples, Mr. Speaker. The United States, the world's largest importer of beef, imports nearly 30 per cent of the beef and veal in world trade channels; however, the United States has laws that limit imports to 7 per cent of domestic consumption. If we look at the United Kingdom and the European Economic Community, we note that this group represents the second largest importer of the world's beef. The imports are very closely controlled, however, by means of a complex system of fixed duties, variable levies, ad valorem duties and quotas. In July, 1974, the European Economic Community banned beef and veal imports by way of embargo. Japan is now a major importer of world beef, ranking third behind the European Economic Community and the United States, yet Japan exercises control over imports through state buying agencies, a 25 per cent ad valorem tariff, variable levies and quota allocations. Early in 1974 Japan virtually placed embargoes on all imports of beef and veal until September, 1975.

In 1975 and 1976 Canada literally became a dumping ground for the world's beef and veal surpluses, a situation to which no other country has to date been exposed. I think it is despicable that this government goes around the country praising its anti-inflation program, saying that the AIB is working, when it is driving almost 100,000 farmers and ranchers in this country into a loss situation. The Minister of Finance, the Minister of Industry, Trade and Commerce (Mr. Chrétien), and the Minister of Agriculture have to bear responsibility for the 100,000 people who are now entering their fourth year of selling livestock at below the cost of production.

In spite of our small population, Canada now ranks the fourth largest importer of beef in world trade channels. In 1976 Canada ranked first on beef imports, on a per capita basis. Here is a country with the capacity to produce all the beef we need for domestic consumption, yet we are the fourth largest importer of beef in the world. This makes a sham of the government's policies, and Bill C-15 fails to pay any attention to this situation. One of the obvious injustices of Bill C-15 is

which is now reduced to 10 per cent. In that year there was a tariff of 10 per cent on extracts of meat and fluid beef, not medicated, while now there is no tariff on it.

We can also see that in 1973 there was a 17½ per cent tariff on prepared cereal foods in packages not exceeding 25 pounds weight each, which is now reduced to 10 per cent. That year there was a tariff of 12½ per cent on prepared cereal foods, which is now reduced to 7½ per cent. There was a 20 per cent tariff on pot, pearl, rolled, roasted or ground barley, which is now reduced to 10 per cent. Also, there was a 50 per cent tariff on rice, cleaned, which is now reduced by 50 per cent to 25 per cent.

The point I am trying to make is that the claim that the Anti-Inflation Board is working because food prices are down is an absolute fabrication which should be challenged. The fact is that there are 100,000 cattle producers in this country who are entering into their fourth year of production and selling their meat at below the cost of production. In my constituency alone we have 17 ranches going out of business, going into disposal sales because the government has failed to recognize the importance of giving protection to the producers of this country. Instead, it has opted for political gain and is taking the short-circuit of assisting the mismanaged economy by importing cheap foods into this country, and fails to declare a long-term, self-sufficient food policy for Canada.

Tariff rates are down on virtually all foodstuffs. If you look at tariff rates on foodstuffs, one thing that becomes obvious is that those rates have been reduced on practically all foods. I think that proves that the Prime Minister's claim that the Anti-Inflation Board is working because food prices are down is incorrect. It is simply an admission that a province which is totally represented by Progressive Conservative members of parliament is politically expendable in the eyes of the government, even though most of the meat produced in this country comes from Alberta. The government thinks it can solve the problem by importing cheap foods, no matter what harm this does to our producers—because it is the aim of the government to try to stay in power at whatever cost.

● (1520)

On page 6 of Bill C-15 there is a list of vegetable products on which the tariff has been decreased. The list includes cabbage, onions, green peas, rhubarb, green onions, asparagus, and the list goes on and on. This simply underscores the fact that the government has failed to recognize that in helping the consumer—and I appreciate that consumers want to have food which is as cheap as we can produce—it really will not help them because this short-term policy will cost the consumer considerably more money in the long run. That will happen in one of two ways: if beef prices continue as low as they are for another year, ranchers will have no alternative but to go out of business and sell their operations. When that happens, Canada will have lost a very important industry and a valuable commodity for our export market. It also means that we will become dependent on food produced in other countries.

In today's *Globe and Mail* there are some quotations which underscore the position the government has been putting forward and clearly demonstrate some of the false, inaccurate and malicious statements which have been placed before the citizens of Canada. The article reads in part:

> Food prices have dropped for the fourth consecutive month and now are an average of 3.1 per cent lower than a year ago, the Anti-Inflation Board said yesterday.
>
> In its monthly food price survey, the board reported significant decreases in the prices of beef, pork, eggs, poultry, fresh fruits—

We cannot deny that; those are facts, and there is nothing to say other than that they are accurate. But that statement fails to point out that those decreases are to the advantage of certain regions of Canada, while other regions are going bankrupt as a result of the policy of this government. I would like to quote further from the *Globe and Mail* article as follows:

> Board vice-chairman June Menzies told a news conference the board can claim some credit because food prices are controlled at the processing, distribution and retail levels, though not at the farm gate.

I believe June Menzies should be asked to resign her position for making that statement. It is not a case of food prices being held down only at levels after the farm gate; the fact is that with the tariff structure of this country as it applies to food, we keep importing food and that has a most significant effect. With regard to the beef industry in this country, 90 million pounds of cheap, grass-fed beef is coming in from oceanic countries, and this is competing at an unprecedented rate with our producers. Obviously, when a person in a responsible position suggests that the Anti-Inflation Board is working because it is controlling prices beyond the farm gate, that person is failing to recognize that thousands of ranchers are being driven out of business.

The sale of cows and breeding stock from this country is up considerably from a few years ago. Canada is running into a very dangerous situation, such that within a few years, as has been quoted by noted authorities, farmers may be selling beef at $1 a pound because of the shortfall which is being created by lack of long-term policies which would give us a constructive and ongoing beef industry. The article goes on to say that fresh vegetables rose 8.9 per cent, and coffee 18 per cent. If we consider various food items other than those related to meats—basically beef, poultry and pork—in fact most food prices are increasing. The article continues:

> The food survey said a continuing decline in beef prices is expected to reverse within the next month due to recent increases in live cattle prices.
>
> Dressed hog prices fell 20 per cent in the last month but retail pork was only 3.7 per cent cheaper in mid-October—

I claim that statement to be absolutely false. If we check with cattle associations across the country, we will find that there is no valid reason to believe that the consumer will enjoy a cheaper price for beef, and the producer's efforts will not be rewarded with a good price for his livestock. I would now like to quote the Minister of Finance (Mr. Macdonald). As reported at page 466 of *Hansard,* he stated:

> Several food products have been added to the list of items on which temporary tariff cuts were enforced prior to June 30. These include fresh pork, ham, bacon,

I should like, first of all, to demonstrate that much of what is being changed in our Customs Tariff Act has been taking place in an attempt to promote political ambitions in Canada. I believe it is important as a background that we begin to realize that agriculture has been a very important aspect of all cultures and civilizations. No culture has ever advanced without a deep-rooted respect for, and easy access to, agriculture and agricultural products. But once industrialized, this nation tended to treat agriculture with cynical disregard.

The Canadian food producers have been the victims of a malicious ploy by the Liberal government, not as the national government but toward the central regionalization of this country. In desperation, to patch up its own economic mismanagement it has divided Canada for selfish, political reward. The facts are that there are more members of parliament in the city of Toronto than in the whole of the province of Alberta. Moreover, there are more members of parliament from Toronto and Montreal than there are in the three prairie provinces. That all links together with the Customs Tariff Act when we note that 78 per cent of the beef production in Canada comes from the three prairie provinces, and most of it from the province of Alberta.

With 19 Conservative seats in the province of Alberta, this government, filled with the venom of politics, has decided to sacrifice one region of this country for the glut of continuing in political power. The government claims that the anti-inflation program is working because food costs are down. The truth of the matter is that food costs in this country are not down, and any comment in that regard is simply a fabrication of the facts. The truth is that food costs in Canada are up. What is happening is that the government of today is importing into this country cheap food from countries which produce food at less cost, to give the appearance that food costs generally are down. In other words the government of Canada is sacrificing the producers of this country for the consumers. The only reason food prices appear to be down is the callous and calculated attempt by the government to willingly destroy the livelihood of 100,000 beef producers by the import and export quota regulations for the selfish reason of trying to prove the Anti-Inflation Board is working.

● (1510)

I should like to point out that the situation has become so desperate as to cause grave concern and problems among the producers of this nation. Imports of pork have risen dramatically in recent years since 1973 when we imported into Canada 215 million pounds. In 1975 we imported 453 million pounds, or an increase of 110 per cent. In October of 1976 we increased our imports by another 82 per cent over 1975. It must be noted that at the same time our exports of pork are down 7 per cent.

The point I am trying to make is quite simple. The government of the day is of the opinion that it must justify the anti-inflation program to the Canadian public, and in a malicious and calculating way is attempting, at the expense of the producers, to prove that the anti-inflation program is working.

[Mr. Malone.]

I have in hand a collection of speeches and policy statements made by the Prime Minister (Mr. Trudeau) and cabinet ministers. The material is quite weighty and bulky. It is an attempt to demonstrate what the government is saying across the country, namely, that the anti-inflation program is working and the proof of it is that food prices are down.

Let us take a look at how the government has destroyed our pork industry. For example, in 1973 the export of Canadian fresh frozen pork amounted to 696 million pounds. By 1975 it had decreased by more than 1 million pounds. In 1973 exports of fresh frozen pork bellies amounted to 76,890,000 pounds. In 1975 that had decreased to only 16,562,000 pounds. In 1973 we were exporting hams, not cured, totalling 370,368,000 pounds, and by 1975 that, too, had decreased to 255,244,000 pounds.

What is happening, in fact, is that the government, in an attempt to establish that the Anti-Inflation Board is working, is deliberately trying to import cheap food into this country. I should like to show hon. members some data which is related to the beef industry. Imports from Australia are now up 10 per cent over last year, but imports from New Zealand have increased by 139 per cent. When we take a look at the amount of fresh frozen beef that has arrived in Canada or which is en route to Canada, we see it totalling 90 million pounds of boneless frozen beef coming from the oceanic countries. Incidentally, that is the amount of meat coming to this country at a time of domestic over-production.

The problem is that while on the one hand the government is trying to establish that the anti-inflation program is working and is spreading the message in Vancouver, Montreal and Toronto that food prices are going down, at a time when we hear the Prime Minister speaking in Prince Edward Island, New Brunswick, southern Ontario or on the national news about food prices being down, when a year ago they were rising at a rate of over 10 per cent and this year they have risen at a rate of only 6.2 per cent, we find that he has written off the producers of this nation in order to make a political gain in the highest populated areas. The claim that the anti-inflation program is working is based solely on the fact that food prices are down, as the Prime Minister states, but he fails to tell Canadians that literally thousands of fellow Canadians will go bankrupt while this government struggles to hold on to political power by dishonest means.

I should like to quote from the budget papers of May, 1976, which give a clear example of what is happening with regard to the importation of cheap food into this country. It demonstrates the fallacy which lies in the claim that the Anti-Inflation Board is working. If we compare 1973 with 1976 we find there was a 50 cent tariff on fresh pork in 1973, while at present it is free or there is no tariff on it coming into the country. In 1973 there was a 5 cent tariff on edible meat of all animals, while at present there is no duty on it. In 1973 there was a 15 per cent tariff on canned pork, and now it has been reduced to 10 per cent. In the same year there was a 15 per cent tariff on canned hams, which is now reduced to 10 per cent. In 1973 there was a 15 per cent tariff on canned meats,

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I wonder if I might ask the government House leader the plans of the government for its business for today, tomorrow and into next week, if he could look that far ahead for us.

Mr. MacEachen: Mr. Speaker, I will be glad to lend my vision to the hon. member at any time. As the hon. member knows, today we will continue with the Customs Tariff, and if it were finished we would, while the Minister of Finance is here, deal with the currency exchange bill today. Tomorrow we would begin with the advance payments for crops. On Monday, regardless of the progress been made on other legislation, I would like to begin the second reading debate on the borrowers and depositors bill.

Mr. Baker (Grenville-Carleton): With regard to the vision, I am prepared to give a year's pass to Laurier House to the government House leader. I did communicate with him with respect to opposition days. I made a suggestion which he requested. I wonder if he has had an opportunity to consider the dates I suggested to him, or would he like to consult further in respect of the statement?

Mr. MacEachen: Mr. Speaker, I thank the hon. member for making the suggestion. I have looked at it, although not thoroughly. I believe it does represent a good planning guide for the future. I will attempt to stay within its limits, but reserve the right to make changes as circumstances warrant.

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EXTERNAL AFFAIRS

TABLING OF COMMUNIQUÉ AND CULTURAL AND ECONOMIC AGREEMENTS WITH JAPAN

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41(2) I should like to table a joint communiqué and the cultural and economic agreements between Canada and Japan which were concluded during my visit to Tokyo.

* * *

EXCISE TAX ACT

TABLING OF WAYS AND MEANS MOTION

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table a Notice of Ways and Means Motion in respect of the Excise Tax Act.

[*Translation*]

HEALTH

TABLING OF REPORT OF NATIONAL ADVISORS COUNCIL ON IMMUNIZATION AGENTS

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I should like to table two copies, in French and in English, of the report of the National Advisory Committee on Immunizing Agents concerning the 1976-77 vaccination program against the flu.

* * *

[*English*]

AIR CANADA ACT, 1976

MEASURE RESPECTING REORGANIZATION OF AIR CANADA

Hon. Otto E. Lang (Minister of Transport) moved for leave to introduce Bill C-17, respecting the reorganization of Air Canada.

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

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that the questions be allowed to stand today.

Mr. Speaker: Is it so agreed?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed, from Tuesday, October 26, consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-15, to amend the Customs Tariff, be read the second time and referred to committee of the whole.

Mr. Arnold Malone (Battle River): Mr. Speaker, I think it is a matter of tremendous urgency and importance that we have the opportunity to speak today on Bill C-15 to amend the Customs Tariff. The fact is that this is not the normal kind of adjustment in respect of the Customs Tariff Act. What we really are seeing in this country is the use of government legislation and government amendment by order in council to make the kind of policy changes that are in fact dividing the country.

some of the injustices that resulted at that time from the way the local marketing boards and provincial marketing boards, which distributed quotas, cut quotas.

[*Translation*]

Mr. Gauthier (Roberval): Mr. Speaker, I should like to put a supplementary question.

I admit the validity of the changes which the minister made to his program. However, the problem is that farmers are being made to pay to make up for their quotas.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

FINGERPRINTING OF EMPLOYEES—REQUEST FOR EXPLANATION OF PURPOSE OF PROGRAM

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question and hopefully a very short supplementary for the Minister of Manpower and Immigration arising from the program being conducted by his department of fingerprinting and investigating some hundreds of UIC employees, outlined in classified UIC documents as being for the purpose of protecting the government from embarrassment by the release of information. Would the minister explain this situation to the House, and state if it is indeed government policy to use public servants for the purpose of withholding legitimate information from parliament or the Canadian people to actually protect the government?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, the hon. member usually has questions on pools or a pool of questions, and I don't want to get in over my depth on this one. I also do not want to permit him to build a dung heap out of a few bird droppings. I would say to the hon. member that I will look into the allegations that he is making, or the representations that he is making, but it would seem there is no difficulty getting information out of my particular department, either legitimately or illegitimately, at least so far as the hon. member is concerned.

Mr. Cossitt: A supplementary question, Mr. Speaker. Would the minister agree at the same time to look into whether it is now government policy to infringe on the democratic rights of public servants beyond the usual customary, acceptable restrictions, and also whether it is now government policy to misuse and abuse the Official Secrets Act to withhold information from parliament for what are really out and out political purposes?

Mr. Cullen: Mr. Speaker, there must be three or four questions in there.

[Mr. Whelan.]

Mr. Cossitt: Just yes or no.

Mr. Cullen: If all the questions of the hon. member could be answered in that way I really would be in over my depth.

* * *

FOREIGN INVESTMENT

POSSIBILITY OF JAPANESE INVESTMENT IN ATHABASCA TAR SANDS—GOVERNMENT POSITION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a question for the Prime Minister which relates to questions that have been asked of him previously concerning his trip to Japan. I wonder whether the Prime Minister would inform the House if he had any discussions concerning possible Japanese investment in the development of the Athabasca tar sands and, if so, what conditions have been attached to such development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there were no negotiations on this particular investment. The subject of Japanese investment in Canada and the various ways in which we would welcome that investment was, of course, discussed and so set out in broad terms within the economic framework that was signed by the Prime Minister of Japan and myself.

● (1500)

GOVERNMENT ATTITUDE TOWARDS FOREIGN INVESTMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I wonder whether the Prime Minister can clarify in general terms if his government has altered its policy with regard to general investment and now welcomes foreign investment in particular as far as tar sands development is concerned.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there would be no alteration of our policy on foreign investment if we were to welcome it. We always have welcomed it. We indicated that we welcome it only if it provides substantial benefit to Canadian citizens. I am sure that is a point of view the hon. member would agree with.

ROUTINE PROCEEDINGS

[*English*]

VACANCY

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, of the Hon. Bryce Stuart Mackasey, P.C., member for the electoral district of Verdun, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

before, that all the necessary precautions are being taken. As I indicated, the Commissioner of Penitentiaries is in touch with the local people, and I believe with a reporter from the Canadian broadcasting system as well as a lawyer from Moncton who are acting as negotiators.

* * *

FISHERIES

REDFISH—CLOSING OF FISHERY—ACTION TO PRESERVE STOCK

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and the Environment. The minister has informed the fishing industry, I believe as of October 4, that action has been taken to close the redfish fishery in the Gulf of St. Lawrence. This poses two questions. First, is the redfish fishery closed to everyone, including boats under 100 feet in length; second, in view of the wasted by-catch of small, immature redfish by shrimp fishermen in the gulf, which is reported to be as high as 50 per cent of the catch by some fishermen, has the minister any plan to prevent the continued destruction of this species?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, the redfish quota for the gulf was taken and therefore the fishery had to be closed; otherwise there would have been no quota left for next year. One of the problems with this fishery is that this fish matures in 12 to 15 years; therefore it is a rather long replacement stock.

The other question raised by the hon. member, a very serious one, was about the incidental catch in the pursuit of the shrimp fishery. Experimental fishing has been done this summer and the reports I have received verbally from my regional director in Halifax indicate that it is not very conclusive or promising. However, we are assessing the situation to see whether we can improve the technique.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE PRIME MINISTER OF JAMAICA

Mr. Speaker: Before continuing, might I borrow a moment from the question period to signal the presence in our gallery of a very distinguished visitor in the person of the Prime Minister of Jamaica, the Hon. Michael Manley.

Some hon. Members: Hear, hear!

HEALTH

FUNGICIDAL EBDC CHEMICALS—GOVERNMENT ACTION TO PROTECT CONSUMERS FROM HARMFUL EFFECTS

Mr. F. A. Philbrook (Halton): Mr. Speaker, my question is for the Minister of National Health and Welfare. I should like to express my sincere sympathy to the minister on the recent loss of his mother, Madame Laura Lalonde.

With regard to the indirect but serious toxic effects of the fungicidal EBDC chemicals, reportedly causing cancer and fetal abnormalities in research animals, does the department consider the attempted disposal of affected food to be adequate public protection, or would it consider a complete ban on this family of agricultural chemicals, including agreements with other countries on imported foods?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, there has been an extensive research program carried on on this particular subject by federal and provincial agencies and these results are being evaluated at the present time. When the evaluation is completed we will decide on which of various alternatives to take. This could include a complete ban, or it could include additional tolerance restrictions which we might impose. We have already imposed some further tolerance restrictions but these might be even further restricted. Again, the use of EBDC's could also be restricted to certain crops. We have not made a final decision yet as to which of these alternatives will be retained.

* * *

INQUIRY OF THE MINISTRY

Mr. Jake Epp (Provencher): Mr. Speaker, I should like to direct my question to the Prime Minister. In view of the Prime Minister's return from the land of the rising sun I should like to ask the Prime Minister, having had time to give serious consideration to the lack of representation in the Cabinet from Manitoba, whether he would announce a Cabinet appointment from Manitoba before the sun sets completely on the Liberal party of Manitoba?

* * *

[*Translation*]

AGRICULTURE

DAIRYING—POSSIBLE REIMBURSEMENT OF PRODUCERS FOR LOSS IN VALUE OF QUOTA

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

The minister stated yesterday that the Canadian Dairy Commission does not set any value on milk quotas. In order to prevent the Federation of Milk Producers from being tempted to have those quotas paid by their members, would the minister consider compensating producers forced to sell their herd as a result of a 20 per cent reduction, according to the value of lost quotas? We would thus avoid this race for quotas which we have unfortunately known in the past years?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, the program that we announced just recently should overcome

the statement that in the first six months of this calendar year companies exceeded the income guidelines to the extent of some $70 million, can the minister tell us how many companies were involved, what action the government proposes to take to deal with those companies and whether or not he will undertake to ensure that the AIB does not allow those companies to remain in anonymity as is the case with 19 companies which exceeded the guidelines to the extent of $3,300,000? There is no reason at all why all the companies ought not to be named. The public has a right to know which companies have exceeded the guidelines. The Anti-Inflation Board has no reservations at all about giving the names of unions and employers who in its opinion have exceeded the guidelines.

Hon. Donald S. Macdonald (Minister of Finance): What the hon. gentleman is saying, in effect, is that even though someone has abided by the law he should be punished anyway. This seems to be a new and interesting doctrine to be advocated in a democratic country. With regard to those cases where quarterly examination of company reports has indicated that there may be excess revenue on the year, this has been drawn to the attention of the firms concerned and they are being required to govern their pricing policies in such a way that excess revenue should not be produced. Of course, whether or not there is excess revenue has to be determined on the basis of revenue over the whole year and this will be done at the close of the year when a figure can be arrived at.

With regard to reporting, I would remind the hon. member again of the requirements of the law passed by parliament in terms of the publication of confidential information with which the Board is naturally complying.

Mr. Douglas (Nanaimo-Cowichan-The Islands): May I ask the minister a question with reference to the 96 companies who reported for the last two and a half months of last year, so that is final? Does he consider that an undertaking to reduce profits in the future constitutes the recovery of moneys which they took from the consumers of this country in excess of the guidelines laid down by the Anti-Inflation Board?

Mr. Macdonald (Rosedale): The Board has several options under the law. It can recover the money on behalf of the public treasury, a course which would not necessarily do the consumer any good at all. It seems to me to make far more sense either to require the company to hold its prices down or to reduce its prices in order that the consumer would have the benefit of those lower prices. That is the purpose of the program.

* * *

PENITENTIARIES

DORCHESTER—REQUEST FOR REPORT ON HOSTAGE-TAKING

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Prime Minister or for the Acting Solicitor General on a subject which was probably considered at this morning's cabinet meeting—if it was not, it should have been. It is a subject of deep concern to the hon. member for Cumberland-Colchester North. I should like to ask what the current situation is with respect to the hostage-taking incident at Dorchester

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Penitentiary, the degree of danger to the life of the guard and what steps the government is taking to bring an end to any such danger, should it exist, and it likely does.

Mr. Art Lee (Parliamentary Secretary to Solicitor General): I am advised that the minister and the Commissioner of Penitentiaries have been in touch with the regional office for the area in which Dorchester Prison is located. I believe it would be inadvisable at this time for me to comment on the status of the situation in view of the fact that negotiations and discussions are going on. But I can assure the hon. member that we are taking all necessary precautions.

GOVERNMENT ACTION TO DEAL WITH HOSTAGE-TAKING

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my supplementary is directed to the Prime Minister, not to the Parliamentary Secretary to the Solicitor General. I should like to ask the Prime Minister, so that we in this House might have some understanding of what really lies behind statements which are made by ministers of the Crown, whether there is any real connection between what the Solicitor General said prior to the taking of the hostage at Dorchester Penitentiary in relation to the hard line he outlined as being the intention to take in connection with any hostage dramas which might take place at the penitentiaries. We have seen a proliferation of hostage dramas across the country and unless we are more realistic about handling them we shall see more and more. What does the government propose to do to indicate to inmates in penal institutions that by taking knives and putting them at the throats of guards they are not going to get all kinds of concessions, such as television time and all the rest, for the inmates in those institutions?

Right Hon. P. E. Trudeau (Prime Minister): I understand the hon. member is making a representation. I shall make sure it is drawn to the attention of the Solicitor General.

● (1450)

DORCHESTER—FREEDOM OF ACTION FOR LOCAL OFFICIALS TO DEAL WITH HOSTAGE-TAKING INCIDENT

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. I should like to ask the Prime Minister a question based on one of the findings and recommendations of the inquiry by Mr. Justice Farris into the hostage-taking incident at the B.C. Penitentiary in which Miss Steinhauser was killed. One of the recommendations was that the situation be controlled at the local level by the administration and that the government have the confidence in their administration to permit that. That was not done with the B.C. incident and contributed to Miss Steinhauser's death. Can the Prime Minister assure the House that the incident now taking place in Dorchester is being controlled on the spot by those best able to deal with the situation minute by minute, rather than being controlled in Ottawa and the administration at Dorchester having to seek clearance for everything that they do at the Ottawa level?

Mr. Art Lee (Parliamentary Secretary to Solicitor General): Mr. Speaker, I can advise the hon. member, as I stated

On the contrary, Mr. Speaker, I took great pains in explaining to the private as well as the public sectors in Japan that we have no intention of parting with our raw materials unconditionally. Quite the opposite is true: while the Japanese were interested in getting the assurance we would supply them with raw materials, we were eager to discuss guaranteed markets. The debate was pursued rather in that vein.

TEXTILES—INQUIRY IF PRIME MINISTER DISCUSSED QUOTAS WITH JAPAN

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I would like to ask a supplementary.

Considering the importance of the textile industry, particularly in Quebec, did the Prime Minister mention the problem of Japanese textile exports to Canada during the discussions which were held in Tokyo? Did he request and obtain the assurance that Japan will fully respect its quotas, thus avoiding further disturbance of the domestic market by shipping to Canada goods directly competing with the Canadian industry?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question was raised along with the general discussions held within the frame work of GATT but the trouble the hon. member is complaining about does not come from Japan but mostly from other countries. Japan has on the whole complied with the quotas that we have set and our problems are due mostly to other eastern countries.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

SUGGESTION MINISTER OF NATIONAL HEALTH AND WELFARE PAY COST OF PUBLISHING WORKING PAPER, "THE WAY AHEAD"

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the President of the Treasury Board. Will the minister take under immediate and serious consideration whether the Minister of National Health and Welfare, in his capacity as a member of this House, should be personally charged with the expense involved in the preparation, printing, publishing and distribution of a blatantly political press release relating to a purely partisan speech made by the minister in Montreal on Tuesday last. This press release contains not one word about the activities or policies of his department, but was printed and distributed by public servants. On this side of the House, such a publication would be put out under the auspices of our political party and I believe the Liberal Party has even more funds for that purpose. Does the minister not believe that moneys voted by this House for the information services of the Department of National Health and Welfare should not be wasted or misused for such blatant political purposes?

● (1440)

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (President of the Treasury Board): I note the hon. member's vehemence and his political comments and, I suspect there would be very little to them. But I will take the question as notice.

Mr. Lawrence: Would the hon. gentleman request that the Liberal Party of Canada reimburse the public treasury since obvious political references to the Liberal Party were made in the very expensive paper called "A working paper: The Way Ahead—A framework for discussion"? I refer the President of the Treasury Board to the obvious partisan references in that presentation.

* * *

ANTI-INFLATION BOARD

REASON NO ATTEMPT MADE TO RECOVER EXCESS PROFITS FROM CORPORATIONS AND NO REPORT TO ADMINISTRATOR

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance regarding the release by the Anti-Inflation Board of information to the effect that 96 companies have exceeded the income guidelines by a total amount in excess of $9 million. In view of the fact that employers and employees who have exceeded the guidelines have been reported to the Administrator with the result that moneys have been recovered and fines imposed, I ask the minister why none of the 96 companies have been reported to the Administrator and why there has been no attempt to recover the $9 million, apart from some nebulous commitment to lower prices so as to avoid excess income in the future.

Hon. Donald S. Macdonald (Minister of Finance): In the case of the firms against which the Administrator has made orders, I might point out that those are firms which either refused to comply with the judgment of the Anti-Inflation Board or specifically requested that the matter be referred to the Administrator so that an order could be made against them. In those cases, because they had either refused to comply with the judgment of the Anti-Inflation Board or sought to have the order made, they were declared to be in violation of the law. The violation is in refusing to comply, not in the initial excess.

In the case of the companies in question, the Board has, by negotiation, arranged compliance programs under which excess funds would, in appropriate cases, be returned to the consumer in the form of lower prices or the freezing of prices until excess costs had used up the profit. In those cases, the companies had co-operated with the Board and no reference to the Administrator was therefore required.

GOVERNMENT ACTION TO ENSURE COMPANIES EXCEEDING PROFIT GUIDELINES NAMED AND EXCESS PROFIT RECOVERED

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I am sure the tender touch with which the companies have been dealt with will not escape most observers. With reference to

way or the other that the Act is going to be passed, the amendments which are going to be made, and then give effect to the direct employment strategy program.

* * *

INDUSTRY

GOVERNMENT MEASURES TO MAKE PRODUCTS MORE COMPETITIVE ON EXPORT MARKET

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. I would first like to welcome him back to the House—

Some hon. Members: Hear, hear!

Mr. Hees: —and tell him that in his absence three more of his members slipped away and more are expected to follow their example.

Some hon. Members: Oh, oh!

Mr. Hees: As the government's answer to unemployment, as given to the House last Thursday by the Minister of Manpower and Immigration, is a combination of a make-work program and all employees in a plant going on short time as opposed to a plant layoff, will the Prime Minister take the first opportunity on motions to outline to the House what plans the government has for making our products, particularly our manufactured products which provide the jobs, more competitive in the international market and so able to provide more jobs of a lasting nature as opposed to the make-work type envisaged by the government in its latest program.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will try to sort out the chaff from the wheat of the hon. member's question and give it serious consideration.

Mr. Hees: Mr. Speaker, I will make it very simple because the Prime Minister is probably a little tired and can handle just so much at one time. Has the government specifically given consideration to lowering taxes on manufactured products sold in the export market as a means of making them more competitive, able to sell in greater quantity and to provide more jobs?

Mr. Trudeau: Mr. Speaker, I would be prepared to discuss this with the Minister of Finance, but it is not clear if the hon. member is suggesting that we lower the tax just for goods as they cross the border for export and not lower them for Canadians. If this is his suggestion, it certainly worries me a little bit.

[Mr. Cullen.]

[*Translation*]

PUBLIC WORKS

CLOSING OF BRIDGES ACROSS OTTAWA RIVER—GOVERNMENT ACTION TO ALLEVIATE PROBLEM

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is directed to the Minister of Public Works.

In the last eighteen months, the five bridges across the Ottawa River have been systematically blocked, completely or partially, because of a total lack of previous agreement between the authorities of the National Capital Commission and the Department of Public Works who are responsible for the renovation and maintenance of those bridges.

[*English*]

Does the minister intend to set up a co-ordinating committee to bring to an end the indignation, frustration and mounting irritation of 60 per cent of the western Quebec work force which must cross the Ottawa River twice daily to and from their jobs or does he intend to once and for all pave the Ottawa River in order to unite both sides?

Some hon. Members: Hear, hear!

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, the latter thought may be very sound, but I think the one prior makes better sense and I would be happy to look into it.

* * *

[*Translation*]

TRADE

ALLEGED GUARANTEE TO JAPAN OF SOURCE OF RAW MATERIALS—POSSIBILITY OF SAME GUARANTEE TO COMMON MARKET

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is directed to the right hon. Prime Minister.

While I welcome him back with joy, might I be allowed to mention also just how much we appreciated the charm and graciousness with which Mrs. Trudeau represented us in the land of the rising sun.

Mr. Speaker, according to news releases coming in from Tokyo, the right hon. Prime Minister would have guaranteed the Japanese industry secure supplies of raw materials from Canada. As a similar assurance could not be given the industrialists of the European Common Market, has the right hon. Prime Minister or some member or other of his cabinet obtained from the Canadian provinces the assurance that this guarantee will be respected and, if so, what raw materials are we speaking of and which provinces were consulted in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member has in fact read those reports in a newspaper, I can tell him unequivocally that the paper reported very inaccurately what happened in Japan.

few months. I wish to direct my final supplementary question to the Minister of Regional Economic Expansion. Since he is absent, may I direct it to the parliamentary secretary? Given the fact that Reed Paper Company has applied to DREE for a grant to finance a sawmill and kraft pulp mill operation at Red Lake and Ear Falls, both locations being in the disputed area, and in light of assurances of the Minister of Indian Affairs and Northern Development that all treaty rights and obligations would be respected by this government, will the minister, or the parliamentary secretary, guarantee that Reed's application will be suspended until land claims and native peoples' rights have been fairly and thoroughly dealt with?

Mr. Ed Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I will take the hon. member's question as notice.

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[*Translation*]

HOUSING

POSSIBILITY OF DEDUCTING MORTGAGE INTEREST FROM INCOME TAX—GOVERNMENT POSITION

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is directed to the Minister of State responsible for Urban Affairs.

Considering that the conditions made available at the present time by the government do not make the purchase of a house financially interesting and that the interest rates on loans offered by the Central Mortgage and Housing Corporation are really too high, could the minister inform the House whether he would be prepared to recommend that the mortgage interest paid by a Canadian taxpayer on the purchase of his first house be deductible from his personal income tax?

[*English*]

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, no. I would indicate to the hon. member that the rate paid by purchasers of moderately priced homes in Quebec and elsewhere in the country is equivalent to 8 per cent. These programs, through the lending of the private sector which is assisted by the federal government, have already increased this year by some 80 per cent. We expect close to a record year for housing starts and sales of units to those with low and moderate incomes. Indeed, the programs are successful and working more effectively than others anywhere in the world.

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UNEMPLOYMENT INSURANCE

POSSIBLE LOSS OF REVENUE TO PROVINCES AS RESULT OF CHANGE IN BENEFIT PROVISION—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the government's proposals to change the UIC Act, it appears that certain provinces are concerned about losses which they may incur in benefits and they now seek compensation one way or another, because of the possibility that they may need to add moneys to their own provincial programs. Have any provinces indicated this to the minister in terms of compensation and how does he intend to deal with this matter?

• (1430)

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I believe some provinces in the Atlantic area have expressed concern about the possible loss of the revenue that would come to the unemployed as a result of moving, for example, from the eight week to the 12 week period. Some of them suggested that funds lost in that way might be turned over to the provinces. However, I am satisfied that our direct employment policy, aimed as it will be at areas of high unemployment, will more than compensate for the funds it will require.

* * *

MANPOWER

DATE OF IMPLEMENTATION OF PLAN TO CREATE EMPLOYMENT—CONSULTATION WITH PROVINCES

Mr. Lincoln M. Alexander (Hamilton West): The minister indicated that this employment strategy which has recently been introduced will require consultation with the provinces. Can the minister now advise when this consultation process will be completed? Also, can he advise whether he will be able to implement this strategy, particularly the Canada works end of it, prior to April 1977?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, one of the first initiatives I took was to meet with the ministers in the various provinces who have responsibility for labour and education in the proper perspective of Manpower to discuss with them our direct employment strategy policy. I indicated to them the extent of it and that there would in fact be consultation with them. I expect we will commence our discussions with regard to programs on a consultative basis probably early in January 1977 with a view to implementing them in approximately April of that year.

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UNEMPLOYMENT INSURANCE

SUGGESTION AMENDMENTS TO ACT NOT PASSED BEFORE PROVINCES CONSULTED ON PLAN TO CREATE EMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): In light of the fact the amendments to the Unemployment Insurance Commission Act are part and parcel in terms of the employment strategy and because of the necessity that there be consultation in order that there shall be no inequities, can the minister now assure the House that amendments to the UIC Act will not be brought forward until such time as the consultation process has been terminated? Can he assure the House of this?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker. I think it is proper that we know one

think the hon. member is not very well advised to accuse me of trying to play politics about that.

● (1420)

[*English*]

I will not go as far as to say to the hon. Leader of the Opposition that in view of the program he established to become leader of his party, I should have accused him of stealing my policy in order to gain the leadership.

POSSIBILITY MOVING VETERANS AFFAIRS TO CHARLOTTETOWN TRADE-OFF FOR DEFENCE BASE AT SUMMERSIDE

Mr. David MacDonald (Egmont): Mr. Speaker, there has been no official announcement with respect to this important move and no clarification as to which minister is responsible. However, reports indicate some trade-off could have been made by the government with respect to the establishment of one federal department in Prince Edward Island and with respect to the loss of a major part of a defence establishment, also in Prince Edward Island, I should like to ask the Prime Minister if there have been conversations with the premier of Prince Edward Island or his officials about a possible trade-off. If there were not, can the Prime Minister give an assurance to this House that the federal government has not given consideration to either removing or substantially reducing the defence establishment at Canadian Forces Base, Summerside?

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Industry, Trade and Commerce made it very clear that he is the minister responsible for this stage of our decentralization policy. I should add that he is a very able minister.

An hon. Member: He is resigning next week.

An hon. Member: He is going to run in Quebec.

Mr. Trudeau: The hon. member asks me if there is to be a trade-off as a result of this decentralization. I would say there is no truth to that at all and I am surprised that the rumour exists, unless it is the pure invention of the hon. member. I would think, as a member from Prince Edward Island, he would be thanking us for this.

Mr. MacDonald (Egmont): I have learned from long experience, Mr. Speaker, never to thank this government for anything. The possibility of a trade-off is on the front page of this afternoon's newspaper. If it is not true, I would think the Prime Minister would want to clear the air and say that there have never been any conversations as reported on the front page of this afternoon's newspaper. In addition, I would think he would want to give concrete assurance to the people of Prince Edward Island in view of the importance that he and I both know CFB Summerside represents to the economy of Prince Edward Island. I would hope the Prime Minister would give that clear assurance in order to dispel the fears that are reported in today's media.

[Mr. Chrétien.]

Mr. Trudeau: Mr. Speaker, I can certainly give that assurance. Neither the minister responsible for decentralization nor I, myself, have spoken to Mr. Campbell, the premier of Prince Edward Island, about this matter. As far as I am concerned, if what the hon. member says he read in the newspaper is actually in the newspaper, it is a lie.

* * *

INDIAN AFFAIRS

SUGGESTED OPPOSITION TO TRANSFER OF LAND TO REED PAPER UNTIL NATIVE LAND CLAIMS SETTLED

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Given the fact that the federal government has funded Grand Council Treaty No. 9 in northern Ontario for research work on and preparation of land claims in that area, and in light of the fact that these claims include the 18,000 square miles of land which Reed Paper Company is attempting to secure from the government of Ontario, will the minister assure this House that until all native peoples land claims are settled, any land transfer by the Ontario government will be opposed by the federal government?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot say that at this time, but wish to inform the hon. member that officials of my department will meet the chiefs of Grand Council Treaty No. 9 tomorrow, in Toronto, to discuss what we might do together to resolve difficulties resulting from that licence.

Mr. Symes: Mr. Speaker, I do not think the native peoples can take much solace from the minister's answer. May I ask the minister the following supplementary question: In view of the admission of the minister in the House yesterday, that his predecessor had consulted with the Ontario government concerning the proposed land transfer to Reed, can the minister explain why his department, at the very time it was funding Indian land claims research in the area, did not have the common decency to inform the native people of the area of the plans of Reed Paper and the Ontario government?

Mr. Allmand: Mr. Speaker, contrary to what the hon. member says, the Indians in the area would like us to discuss solutions with them before we go firing off on our own, as suggested by the hon. member. That is what we are going to do tomorrow. We will discuss any solutions to the problem with them, rather than listening to the hon. member.

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REGIONAL ECONOMIC EXPANSION

PROPOSED DELAY IN GRANTING REED PAPER APPLICATION FOR SAWMILL UNTIL NATIVE LAND CLAIMS SETTLED

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, the point is that the native people have been kept in the dark for the past

demands an immediate end to this misuse of public servants designed to assist in maintaining the Liberal party in power.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

REQUEST FOR DISCLOSURE OF DECENTRALIZATION PLAN

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the President of the Treasury Board. I should like to preface it by expressing the pleasure of my party at the fact that the government is acting on decentralization of the functions of the public service in the country. I would like the minister to confirm that there will be a major policy announcement regarding the Department of Veterans Affairs and public servants employed by that department made outside this House immediately after question period ends today.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, that question should more properly be addressed to my colleague, the Minister of Industry, Trade and Commerce.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am still responsible for the federal government decentralization program, and I am glad to see that the Leader of the Opposition maintains the stand he had himself included in his program. I hope he will speak to his neighbour right across from me and to his other neighbour as well, for I am sure the member for Saint-Hyacinthe agrees with that decentralization policy. This afternoon, the Minister of Veterans Affairs is to make a statement in Charlottetown because I think this is the most appropriate place to make it at this time, since this is a place which really needs the help of the federal government.

As to the policy itself, I have already made statements and speeches about it in the House. If anybody wants me to make another statement, Mr. Speaker, I will be glad to do so, and I would then quote statements of policy the member for Rocky Mountain (Mr. Clark) made when he ran for the leadership of his party.

[*English*]

Mr. Clark: I think in passing it might be helpful if the Prime Minister would indicate to the House just what minister has responsibility for what functions and who carried what in the most recent shuffle.

I would like also to indicate to the Minister of Industry, Trade and Commerce that it is not on this side of the House that there are disagreements which cause ministers to resign.

Some hon. Members: Oh, oh!

Mr. Clark: My question relates to an elaboration of the policy statement made by the Minister of Industry, Trade and Commerce in his former capacity, and assuming that there were factors involved in this particular decision other than the four provincial by-elections in which the Liberal Party is in trouble in Prince Edward Island, and I wonder if the minister might tell us when we can expect, on motions, a full statement which will not deal with the generality of the principle of decentralization, but will instead tell us precisely what guarantees of consultation there will be with public servants and with other groups involved, and when we can have an indication of the master plan, which we presume exists, indicating the other departments which are now being considered for decentralization and the other parts of Canada to which it is intended to decentralize.

[*Translation*]

Mr. Chrétien: Mr. Speaker, we consult provincial governments. Every time the unions concerned were consulted, I myself stated that I thought, as it had been noted by the opposition last year, that decentralization was one of the government's priorities. If I have to repeat my speech I shall do so, or else send a copy to the hon. member. In any event I believe the program is continuing. The Prime Minister was kind enough to ask me to pursue the program I had launched a year ago. Progress is being made and I shall be pleased to inform the House more fully in the coming weeks, because I see that some members have a short memory which needs to be refreshed.

[*English*]

Mr. Clark: I think we on this side of the House can survive without a repetition of the minister's speech, but we would like to have an indication from the government of precisely what plans are in place now regarding which aspects of which other departments are going to be moved to what other locations in Canada, and we would like to have that as soon as possible so that we and the people of Canada can have some assurance that this is in fact following some general plan and that it is not in response to political emergencies the Liberal Party faces in particular parts of the country.

[*Translation*]

Mr. Chrétien: Mr. Speaker, if the hon. member is aware of it, I can remind him that we decentralized some organizations in Vancouver, Winnipeg, in the province of Quebec, in Newfoundland, in Moncton, in St. John's, Newfoundland, and I

Transport

[*English*]

CANADIAN NATIONAL RAILWAYS

PROPOSED INVESTIGATION OF STAFF REDUCTIONS IN ATLANTIC REGION—MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, under the provisions of Standing Order 43 I rise on a matter of extreme urgency and pressing necessity so far as the employees of the Canadian National in the Atlantic region are concerned.

In view of the fact that the CN is continuing a policy of cut-backs and lay-offs of their employees, affecting trainmen, engineers, telegraphers, CN police, customer relations officers and CN-CP Telecommunication employees with many years of service without due and timely, or indeed decent notice, causing great hardship to these employees and their families, I move, seconded by the hon. member for Cumberland-Colchester North:

● (1410)

That the Minister of Transport cause an immediate investigation to be carried out into the operations of the Canadian National Railways in the Atlantic region to determine why these employees with so many years service are being treated in such a cruel and callous manner by this Crown corporation when, at the same time, the throne speech pays lip service to job creation in regions of chronic unemployment.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRANSPORT

SUGGESTED CONTINUATION OF SUBSIDY TO NORTHLAND NAVIGATION PENDING STUDY OF OPERATION—MOTION UNDER S.O. 43

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to Standing Order 43. It concerns the end of the subsidy to Northland Navigation on the Pacific coast which is to come about in three days. Given the fact that the west coast transport subsidy to Northland Navigation in Vancouver will be ended, thus cutting off effective communication for 16 northwest British Columbia communities with the loss of hundreds of jobs in an area of high unemployment, and that this action is being taken with the minister's knowledge that an in-house study prepared for the Canadian Transport Commission asserts that an up-grading of existing equipment and service could lead to a quick phasing out of existing subsidies, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the Minister of Transport extend the existing subsidy for a further year and immediately make public the CTC report in question so that the members of this House and the British Columbia public can engage in an open and accurate discussion of the alternatives available.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can only be presented with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

PROPOSAL CANADA REQUEST UNITED STATES TO STOP CONSTRUCTION OF GARRISON DIVERSION UNTIL INTERNATIONAL JOINT COMMISSION REPORTS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the International Joint Commission has been granted an extension to June 1977 to complete its report on the Garrison Diversion Project of North Dakota, and recognizing that $23.5 million for next year's construction has already been appropriated by Congress, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the House direct the Prime Minister to request the government of the United States to immediately stop all construction of the Garrison diversion until the International Joint Commission has completed and presented its final report.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

SUGGESTION THAT PRACTICE OF FINGERPRINTING EMPLOYEES CEASE—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, this is of urgent and pressing necessity arising from a secret decision of the Unemployment Insurance Commission's national executive to institute fingerprinting and investigating in detail of the personal backgrounds of hundreds of UIC employees and subsequent and recent consequences and implications of March 1976 documents classified confidential signed by D. R. Brown, Ontario UIC director general, and Robert Vantangerloo, Ontario regional personnel adviser. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the House condemns as constituting gross manipulation and interference of the public service for political purposes the reasons for this plan as stated in Robert Vantangerloo's classified document that: "it is intended to prevent passing of confidential information to groups with an interest in embarrassing or otherwise damaging the Canadian government . . ." and finally the House

HOUSE OF COMMONS

Thursday, October 28, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

PUBLIC SERVICE

REQUEST FOR DISCLOSURE OF PLANS FOR DECENTRALIZATION OF SERVICE—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I rise under the provisions of Standing Order 43 to put a question of urgent and pressing necessity. In view of the importance of the principle of decentralization of departments and agencies of the Government of Canada to those areas which benefit, but also to public servants and their families who are affected thereby, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the President of the Treasury Board make a statement on motions at the earliest opportunity:

(a) Disclosing the long range plans of the government for such decentralization including the number of employees and the agencies to be decentralized;

(b) The basis upon which it has consulted and will consult with public service representatives, including the notice period to employees it considers appropriate;

(c) Its plans to absorb into other agencies those public servants who for legitimate family, personal or other reasons cannot move;

so that the people of Canada and the Public servants involved can be assured that there is a full public disclosure of a master plan.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

PENSION ACT

PROVISION OF PRO-RATA PENSION FOR WIDOWS OF VETERANS WHOSE PENSION LESS THAN 48 PERCENT—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, because Remembrance Day is only two weeks away I believe there is urgency to this motion. That is why I ask leave to present it under Standing Order 43. I therefore move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House urges the government to introduce an amendment to the Pension Act to provide for pro-rata pensions to be paid as of right to widows of veterans whose disability pensions were less than 48 per cent, as recommended in the Woods Report, in the Hermann Report, and in several reports of the Standing Committee on Veterans Affairs, and that notice of the introduction of such an amendment be given prior to Remembrance Day, 1976.

Some hon. Members: Hear, hear!

Some hon. Members: No.

Mr. Speaker: Standing Order 43 requires the unanimous consent of the House for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED CHANGE IN POLICY TO PERMIT BROADCAST OF CONSUMER ANNOUNCEMENTS—MOTION UNDER S.O. 43

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, under S.O. 43, I ask the unanimous consent of the House to discuss an urgent matter.

Considering that the CBC refuses to broadcast advertisements designed to inform the consumer, and I am referring to the French advertisement sponsored by credit unions and the Consumer Protection Board under the slogan "Le gros bon sens"; considering also that the privately owned TV network saw fit to air those advertisements which are partly free, thus recognizing the importance of informing the consumer; and finally, considering that the state network gets subsidies from public funds and that its audience is entitled to the same services, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That the House unanimously urge the Secretary of State to suggest that the CBC change its code of ethics to allow the broadcasting of advertisements which consumèrs are entitled to.

Mr. Speaker: Order, please. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

across the way can come up with valid, constructive and well reasoned suggestions for modifications to the legislation, the Minister of Agriculture for Canada will be the first to accept those ideas and try to incorporate them in the legislation so that this bill can be, in fact, the very best bill possible for Canadian farmers all across the country.

● (1750)

One other point hon. gentlemen across the way made had to do with the matter of interest charges. I shall not deal with that extensively because the answer is already on the record in the intervention made earlier today by the minister responsible for the Canadian Wheat Board. I suppose the point opposition members are trying to make is that somehow this legislation treats farmers in eastern Canada, and farmers who are not grain producers in the Wheat Board area, differently from the cash payment legislation relating to specific grain, which legislation has been on the statute books for some time.

The point is that there has been an effort in both pieces of legislation dealing with grain and other crops to treat producers in exactly the same way, especially in relation to interest. If the advance is repaid in the normal fashion as contemplated by the legislation and as has been demonstrated by our experience with the grain legislation, then of course interest is not payable. But in a case where the advance is in default, or where the producer chooses to repay it in terms of cash instead of the delivery of crop, then of course the advance does begin to attract interest.

It is probably important once again that members know the history of that particular provision which really results from the experience with the grain legislation. Originally the cash advance legislation dealing with grain did not contain a provision calling for the payment of interest. It was upon the recommendation of farmers and farm organizations that that provision was put in, in order to avoid what otherwise would be an abuse of legislation if an advance were taken with no intention of delivering the grain but rather in order to have the advance as an interest-free loan to be used for other purposes.

Farmers and farm organizations in western Canada perceived that as an abuse of the legislation, and recommended that the cash advance legislation relating to grain should be changed to recognize that problem. The amendments were made to the legislation a considerable time ago. Obviously they have been very well received and very widely approved. The legislation the Minister of Agriculture is now presenting is of course legislation which follows upon exactly the same principle. It does not specifically relate to grain, but of course expands the principle so that it will relate to a number of other crops across Canada whether they be produced in western Canada or in any other part of the country.

I think the principle the Minister of Agriculture has put before the House in the form of this particular legislation is very good; it is sound. This is a principle which I think farmers in parts of Canada who are not used to the grains industry on the prairies will welcome when they see this kind of provision, and I know producers across the country are very anxious to see this legislation proceed through the House of Commons and the Standing Committee on Agriculture so that the advantages of cash advances for crops, other than grains, will become available to farmers across the country.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in the debate on Bill C-2 I cannot help but note that the hon. member ended his remarks by wishing the bill very speedy passage through the House because of the great need for this legislation across Canada. There would have been a great deal more speed had he not recited all the little goodies he thinks his great idol has brought before agriculture in Canada. He even went so far as to suggest that it was a great stroke of business to change the Wheat Board Act so that the final payment cheques would not go out in the same year. He did not say that the reason that happened was that they were paid out on October 1 of one year because there was an election on October 30 and they wanted to make certain that the farmers knew who was paying out the money. It kind of backfired that time.

Then he went on to suggest that the speakers on this side of the House who held up the grain stabilization bill in 1971 would rue the day. He did not say that any astute statistician or mathematician who studied the facts should come to the opposition members and thank us because the price of wheat was so low that in no way could we have been wrong in holding up that piece of legislation in 1971.

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

Mr. Horner: I will permit a queston in due course, but not right now. You had 25 minutes to speak and have allowed me only five. At the time of the stabilization bill the price of wheat was so low that there was no way the farmer could benefit from stabilization at that low price. When it was passed in the last session, at a time when the price of wheat was $5 a bushel, the concept was different. All farmers who participated in the grain stabilization program should be truly grateful for the Conservative party and the work it did. I might mention also in all fairness the assistance we received from the NDP on that particular point. They like to claim all the credit, and I think I am being over-generous in giving them a little.

The interesting thing about Bill C-2 is that this is the first piece of federal legislation which also assists the Alberta treasury branch and says that the Alberta treasury branch will be considered as a bank. There have been many debates before in this House of Commons and I have often argued in respect of similar legislation that the Alberta treasury branch should be included.

I well remember when a former minister of agriculture, my friend's predecessor, the then hon. member for Medicine Hat, and I argued that point. He was unreceptive to it. So I want to thank the minister. He has learned from the errors of his predecessor. However, he has not learned the lesson in respect of his grand design about controlling everything. This piece of legislation smacks of a little bit more control being sought by the federal government. Mr. Speaker, may I call it six o'clock.

The Acting Speaker (Mr. Ethier): It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

Mr. Goodale: Amendments have been approved by the House, the pool is now fully effective and is sanctioned by law. This is a subject we considered earlier, this spring, in debate.

Other changes include the new quota system, the block shipping system, the producer-election of the advisory committee to the Wheat Board which has now been formalized by an amendment to the Canadian Wheat Board Act, a poll among rapeseed producers about the preferred method of rapeseed marketing, the purchase of 6,000 grain hopper cars for the exclusive use of grain movement in western Canada, a boxcar repair program, the Mants Report on boxcar allocation procedures, the appointment of port co-ordinators for Thunder Bay and Vancouver, and the Snavely Commission on the cost of transporting grain by rail, and the Hall Commission on grain handling and transportation.

I could not leave this extensive, important and impressive list of achievements relating to western agriculture without referring specifically to a measure which members on the other side of the House would prefer to forget because they fought it every step of the way. They know it will be to their continual discredit that on the floor of the House of Commons they battled the Western Grain Stabilization Plan, which was a plan brought forward by the government in an attempt to alleviate the effects of those recurring "bust years" in grain incomes, a plan which has been well received by grain producers and farm organizations, and one which the opposition knows very well has received a warm response from western Canadian farmers. They would prefer not to see it on the statute books because they know it will stand there as a credit to this administration, and to their discredit, because they tried to block it and prevent it becoming law.

An hon. Member: Tell us about operation LIFT.

Mr. Goodale: The hon. member across the way likes to refer to operation LIFT. I have noticed something very curious about the opposition—

Mr. Horner: On a point of order, Mr. Speaker, we are dealing with Bill C-2. I have sat here with a great deal of patience listening to the hon. member making an election speech as though an election were coming up, reciting all the Liberals have done. I believe that at this point, so early in the session, some degree of relevancy to the subject matter before us for consideration should be adhered to. I can well understand that as the session proceeds into an election year, maybe in 1977, members opposite will want to trot out all the little goodies for which they have been responsible, and send their speeches home to their constituents. But surely after only a few days of the session have elapsed, we can stick to the legislation before the House.

The Acting Speaker (Mr. Ethier): I think the hon. member might have strayed a bit, but he was referring to the bill—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): —and he should be allowed to continue.

Mr. Goodale: On the point of order, Mr. Speaker, I wish the hon. member for Crowfoot (Mr. Horner) had been in the House earlier today to hear the speeches of his hon. friends in connection with this bill. Most of what they had to say had nothing to do with the measure at all.

Mr. Horner: Two wrongs don't make a right.

Mr. Goodale: They referred to a number of extraneous matters, and the comments I have put on the record deal with the western grains industry, with legislation relating to grain, and with many of the points which members opposite raised, especially the hon. member for Saskatoon-Biggar who tried to convey to the country the impression that somehow there had been no activity affecting western agriculture. I believe the last I put on the record a few moments ago completely answered the point the hon. member for Saskatoon-Biggar was trying to make, and demonstrated that western agriculture has received a great deal of attention in the House of Commons, and will continue to receive attention.

Some hon. Members: Get back to the bill.

An hon. Member: Otto's little boy. Did Otto approve that speech?

Mr. Horner: Filibustering the first piece of legislation from that side.

The Acting Speaker (Mr. Ethier): Order. I think the hon. gentleman should be allowed to continue his speech.

Mr. Goodale: I can understand the sensitivity of hon. gentlemen across the way when it comes to the subject of western agriculture because they know, as I have demonstrated just now, that the list of achievements which I have placed on record is an impressive one. Canadian farmers regard it as impressive, and members opposite would rather not have that list repeated because it demonstrates their complete ineffectiveness. They would prefer not to have these things on record because they know it inures to their continuing discredit in western Canada.

Bill C-2—

Some hon. Members: Hear, hear!

Mr. Goodale: —expands upon a principle which has worked effectively over the past few years, with some amendments, in the interest of western agriculture. It is a principle which farmers generally would like to see extended to other aspects of agriculture, and the Minister of Agriculture is now responding to that concern.

Hon. members across the way have made a number of comments suggesting that the Minister of Agriculture should listen carefully to what goes on in committee and accept suggestions for modification. I have read Bill C-2 and believe it to be sound, but one thing is clear about the position taken by the Minister of Agriculture when it comes to the proceedings of the standing committee. The minister is very receptive to ideas which come forward. I am sure if hon. gentlemen

realistic and positive way to overcome the very considerable difficulty they were experiencing at that time.

What has been done in the period since those dark days of crisis that western agriculture was facing? I think of such things as expanded credit facilities and the long-term Government of Canada guarantees for the Canadian Wheat Board which have assisted that particular institution in western Canada to pursue more vigorously and effectively world markets for Canadian grains.

Mr. Towers: Don't forget LIFT.

Mr. Goodale: It is significant too that in that period, beginning in the early seventies, the Canadian Wheat Board was encouraged by the government and the minister responsible to pursue vigorously as we in Canada had never done before international markets for barley and feed grains. We are now a significant exporter of those particular grains and it is because of those efforts in the early seventies to win, keep and service those markets that we now have these very important markets for western Canadian feed grain producers.

We have as well the annual commitment by the government of Canada of $10 million toward a new market development fund to enhance grain marketing opportunities at home and abroad. Farmers and their organizations, as well as others, have taken advantage of this fund to develop and find new marketing opportunities.

We have as well new research facilities. I know my hon. friends opposite are very interested in this subject and we have joined in discussions on this question in the Standing Committee on Agriculture previously. Obviously research is an important matter in the field of agriculture and in this area we have seen some important developments, such as the new crop science division at the University of Saskatchewan in Saskatoon which is doing significant work in the field of agricultural research, in addition to the normal research facilities of the Canadian Department of Agriculture. I think as well of the new protein-oil-starch pilot plant in Saskatoon which will shortly be doing important new work in developing new ways of processing our grains and oil seeds.

Then there is the two-price wheat program which was the subject of debate in previous sessions of this parliament. This was an important measure which, long after the hubbub of debate in the House subsided, has established very clearly its relevance and has paid dividends to western Canadian agriculture.

In the same period that we have been working on these matters, we have also substantially increased the level of available cash advances to the western grain industry and have improved the ways in which those advances can be repaid. This, of course, refers to the amendments discussed in this House and approved by the House of Commons in previous sessions of parliament, under which legislation the available level of cash advances was increased to $15,000, with the repayment terms for farmers being made more broad and flexible, so that if farmers wished to avail themselves of the legislation cash advances could be more tailored to their particular needs and to the way they ran their farming operations. That is probably a small, technical change which has taken place during the last few years, but an important one, one that shows the general upgrading and improvement of facilities available to western agriculture.

Of additional interest are the improvements in the timing of Canadian Wheat Board final payments and adjustment cheques. Often times in the past it seemed that these cheques would come at an unfortunate time, or at least not at the right time so far as the planning of a farmer's income and tax position was concerned. Amendments to the Canadian Wheat Board Act have corrected that particular situation and prevented the rather unfortunate development which occurred a couple of years ago when some farmers were perhaps caught by surprise and received two final payments in the one taxation year. In some cases this served to defeat their tax planning. It is, of course, the intention to make that income position as certain as it possibly can be, and changes in the Wheat Board Act have been passed by this parliament to deal with that particular aspect. I think as well of the implementation of the deferred cash ticket option for grain producers on the delivery of their grain so that, again, they can exercise greater control over their income position.

• (1740)

In another area I would mention the development which began to take place four years ago with the provision of reliable production and marketing information for producers to be placed in their hands in the spring, well in advance of seeding time. It is important that a farmer should be able to take advantage of that information to plan his production and marketing for the coming year. Because of a practice which has been implemented by the minister responsible for the Wheat Board, with the co-operation of the Department of Agriculture and the Wheat Board, information is compiled, prepared, and distributed to each farmer in the prairie region early in March each year so that he can have the best information which is available to production and marketing experts, and farmers can them make their own decisions based on the material they have.

Determined efforts have been made to remove the long-standing inequities which have existed in our system of domestic feed grains marketing in the past. This has been the subject of extensive and sometimes heated debate in the House, and it is important to remember that the government has now for many months been endeavouring to find that important national consensus as to the proper shape of a domestic feed grains marketing policy which will, with equity and effectiveness, meet the needs of grain producers and others engaged in agriculture in both the west and the east.

I think of another achievement which is significant in the establishment of a separate marketing pool for malting barley effective for the crop year 1975-76. This again has been the subject of discussion in the House of Commons earlier in the session.

Mr. Horner: It was last session.

government brought in advances for farm stored grain, there was concern that it might be abused. I am sure both ministers will hasten to agree that the application of that program has been exemplary, to say the least.

I am glad to see the hon. member for Winnipeg South (Mr. Richardson) in the House. I know he is very interested in the problems of the west. I hope he will be vocal and tell this House what can be done for the west, what cabinet failed to do in the past, and about the many petitions which he made on behalf of western Canada which were turned down. I am sure the hon. member will perform a very useful function in the remaining days of this parliament.

I did not intend to speak very long. However, I did want to express in the strongest possible terms the concern of my colleagues and of people in western Canada with regard to the paucity of agricultural legislation, the absolute disregard the government has shown with respect to the agricultural industry. We are not led to believe the government has any interest in bringing forward legislation to improve the position of Canadian farmers.

It is not good enough for the Minister of Agriculture to continue to use the hackneyed phrase "things were never better for the farmer". The minister knows in his heart that is not the case. He knows the problems of the farmer are more serious than ever before. The farmer looks to the years ahead with apprehension. He does not have a sense of security with regard to government policies. He cannot look to the future with any degree of certainty.

The government must look seriously at farm input costs and assistance to farmers. Farming is a very substantial business. As I pointed out previously, for someone to get into any sort of farming operation in western Canada, he requires something in the vicinity of $150,000 to acquire a reasonable amount of land and equipment. It is difficult for someone earning a salary in the city to conceive of the amount of capital investment required to get into farming. The farmer looks ahead with apprehension because he knows the substantial amount of money that is required to get into farming.

There are many aspects of the law with regard to taxation and capital gains that this House must study. The government should bring in legislation to minimize the impact of death in a family and the turning over of the family farm to children or families of farmers who are no longer capable of, or interested in, carrying on the business of farming.

● (1730)

These are some of the concerns people talk to me about in my constituency and have discussed with my colleagues. I hope that the Minister of Agriculture, who I see is making notes, will reply to us about some of these concerns and that we will be able to get some very detailed consideration of our suggestions in committee. This may improve the effectiveness of the legislation which in principle I think we all heartily endorse, and for which we commend the minister on bringing forward at this time.

Advance Payments for Crops

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I should like to spend a few moments in this debate this afternoon discussing the general principles of Bill C-2, the cash advance legislation. I am interested in the tenor and tone of the debate up to this point since it has been, to this stage at least, dominated by westerners. I think it is all very well and good that those of us from that great part of the country should have the opportunity, as we do frequently, to put our particular concerns and points of view on the record on matters affecting agriculture, an industry very much germane to our way of life and to the economy of western Canada.

I think we should also consider the very important point that the legislation before us this afternoon is legislation that applies to farmers generally all across Canada, the expansion of something that has been available in western Canada with respect to grains for some considerable length of time, and has been very well received and approved by the farmers of western Canada.

The argument has been made, with some merit, that a principle that is so effective and well received should in fact be expanded and become available to producers in all parts of the country, so far as that is possible. In presenting this bill to the House the Minister of Agriculture (Mr. Whelan) is attempting to respond to that particular desire.

I was interested in the remarks of my hon. friend, the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn), and the concerns he had about agriculture which he outlined in his concluding remarks. He particularly referred to the farmers in the western context, and that is a valid expression of concern. I think some of the same points apply to farmers in all parts of Canada. However, I think the tone he struck in the last few moments of his remarks might have been a little misleading in that they implied that very little had been done or was now being done to respond to the concerns of farmers.

It is probably useful to bear in mind some very recent history in this regard that might clear the waters that unfortunately, and perhaps inadvertently, the hon. member for Saskatoon-Biggar tended to muddy. In trying to bring about that clarification I will deal specifically with the areas he was discussing, namely, the concerns of farmers in the prairie region which he and I both have the honour to represent in this House. I should then like to direct some specific remarks to some of the points which were raised earlier in the House having to do with agriculture on a broader scale, that is, within the national context with which this legislation deals.

It is important to remember some of the rather significant changes that have been brought about, particularly having to do with the grains industry in western Canada in the last four or five years as this government has attempted to respond to the concerns of grains producers. You do not have to think back very many years, Mr. Speaker, to the period between 1968 and 1971 when the grains industry of western Canada was facing nothing short of a crisis situation as far as the incomes of the grain producers were concerned. The government was faced with a challenge in assisting producers in a

take place within the area designated. That, at any rate, is my interpretation. I ask, how will this bill affect a product which is traditionally traded across provincial borders, that is, traded interprovincially? Perhaps the minister will answer such questions during the committee stage. Will this bill apply to those products which customarily are traded interprovincially?

No doubt the government has in mind the best interests of farmers; unfortunately the government's intentions are by no means contained in the language of the bill. The two are entirely different. Mr. Speaker, a bill which empowers the minister to regulate, to choose the agencies to which money is to be paid and to lay down all the regulations which may be necessary for the administrator, is not satisfactory. It is contrary to the principles we espouse.

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I feel obliged to speak briefly on Bill C-2 which provides for advance payments with respect to crops other than those administered by the Canadian Wheat Board in its designated area. As my colleague said, it is nice to see the two ministers opposite who share responsibility for the agricultural industry sitting next to one another, conferring and doing their best to pilot this bill through the House. That, of course, immediately brings to mind something we have often discussed in the agricultural committee, the division of responsibility in certain fields of agriculture between the minister responsible for the Wheat Board and the Minister of Agriculture (Mr. Whelan). We all know of the difficulties connected with the administration of agricultural policy. However, the division of responsibility leads to duplication and overlapping, evident especially in legislation and programs relating to all agriculture in Canada.

I remind the minister that he was not able to listen to part of my speech in the throne speech debate. I had hoped, when he introduced the legislation, that he would refute the implication in the Speech from the Throne that this is the only legislation we shall see during the present session of parliament relating to agriculture. He did not deal with that matter when he spoke in the throne speech debate.

As I said previously, the Speech from the Throne is little but a philosophical exposition of what the government intends to place before parliament for dealing with various aspects of the economy and other matters. The particular bill we are now debating is, I submit, the only agricultural bill to which the Speech from the Throne makes reference. This bill attempts, inadequately, to continue a principle advanced originally by the Conservative government, the principle relating to advances on farm stored crops. If this is the total extent of the agricultural policy of the government, I am apprehensive about the importance it attaches to the Canadian agricultural industry.

● (1720)

I am glad the minister responsible for the Canadian Wheat Board is here. I know he is aware of the circumstances. I hope he is planning action to meet some of the problems being faced in western Canada.

There is a possibility that net farm income in Saskatchewan will drop by some $200 million this year, notwithstanding the fact that we have had an exceptional yield of high quality. Farmers in Saskatchewan face increased costs that are phenomenal. Machinery costs are increasing far in excess of the guidelines laid down by the Anti-Inflation Board.

I appreciate that an attempt is being made here to extend the application of advance payments for farm stored crops. I hope that the government does not believe that, because it has made this gesture, this completes its responsibility to the farmer.

Problems also arise with good crops. Grain is stored in rather unsatisfactory circumstances on farms. We hope the system will be able to sell this grain. I hope there is an aggressive sales plan and that the government will be able to obtain a good price. A record grain yield has led to some grain being piled on the ground, in machinery sheds or other temporary storage. What steps is the government taking to ensure proper and safe storage of grain in western Canada needed because of the substantial crop yield we have this year? We are extremely grateful, if not to the government certainly to the deity, for the blessings we have had bestowed upon us this year.

I hope the minister will accept some of the constructive suggestions being made on this side with respect to this legislation. I ask him to tell us why there is a limitation on the application of this bill, as pointed out by the hon. member for Carleton-Charlotte (Mr. McCain), with regard to organizations which are apparently the only entity qualified to receive assistance under the provisions of the act. This will be somewhat of a restriction on the effectiveness of it.

I hope that in committee we will gain an understanding of the application of the bill. I trust the minister will be receptive to a full discussion and suggestions from interested farm groups, producer groups, and members on this side.

I am concerned about the fact that early in this session we are dealing with this particular piece of legislation. It is certainly an important bill. However, it is the only suggestion from the government side with regard to a policy providing for a viable agricultural industry in this country. It causes many of us on this side to be concerned about the priorities of this government at a time when the agricultural industry is and will be facing increased input costs.

In order for someone to get into farming today, he must have substantial backing. The minister should look very closely into this. I hope the minister will discuss this with the members of the Standing Committee on Agriculture and be open to suggestions regarding amendments to the Farm Credit Corporation Act in order that improvements can be made in that legislation.

In terms of the application, granting, and repayment of credit, I am sure that everyone will agree that farmers are superior to almost every other segment of society. They are the most trustworthy and have the best record with regard to repayment of their obligations. At the time a Conservative

It is somewhat difficult to understand where this bill would begin, where the price stabilization legislation would begin, or where either would leave off. There are some crops that you cannot store so it would be difficult to apply the bill to them. The marketing of potatoes, pears, and other fruit for processing, and indeed the marketing of most of the vegetables that grow in the early part of the season, would be outside the limits of the bill. Yet the intention of the bill is to relieve the farmer of his bank loan. Unless a price stabilization board is established immediately no relief will be available to the farmer under this bill.

Under what circumstances will payments be made to the farmer? This is not set out. There may be a regulation to cover this, of course. I think the minister should be ready to answer questions like this when the bill comes before committee, and if he has the information it could shorten the proceedings. Apparently the bill will not cover processing crops, but is there a special reason for this?

Let us assume the farmer is in arrears or default under the terms of the bill. What supplementary aid will be available to him? As I understand it, such default is defined as a legal obligation under this legislation and would impair any credit he might seek in succeeding years when it is time to plant. Is it the government's intention that he may receive the aid necessary to avoid default, or is he to be left in that position? Is there a relationship between this bill and any assistance he might receive under some other bill? I do not think the principle should be applied in such a way that the farmer does not get the help he needs. Will the market price be a factor in triggering this, or is this to be left to regulation?

● (1710)

It is interesting to watch the minister responsible for the Wheat Board standing guard over the Minister of Agriculture. Frankly I do not know which minister is infringing on the other. I thought the Minister of Agriculture was not his usual, bombastic self when introducing this bill on second reading. Perhaps he needs someone in the House to hold his hand. The minister's demeanour may be significant. Perhaps it has something to do with the policies he has espoused. I am glad to note both ministers sitting together. Perhaps the Minister of Agriculture needs help.

I wonder if this bill is part of the minister's policy to coerce farmers not presently organized into joining organizations which meet with his approval. If that is his intent it is deplorable, and such policy is deplorable. As was mentioned, in Prince Edward Island there are multitudes of farm organizations which do not qualify as marketing agents and which, by virtue of the language of the bill as printed, will put their farmer members at a disadvantage.

The minister's intentions in this regard should be made clear. As well, how will the program be administered? Will it be administered perhaps with the help of provincial governments, as well as that of banks and the staff of the Department of Agriculture? How will this be done? Certainly it would not be proper to allow only card-carrying members of organizations of which the minister approves to benefit from the legislation. That would not be in the best interests of democracy.

The government's incomplete program has forced provinces to establish their own programs for helping farmers. I was interested to note that when this bill was brought forward for second reading today, the headlines of one newspaper alluded to the expense the province of Ontario would be put to in providing support for its agricultural sector.

An hon. Member: Have you seen the bill?

Mr. McCain: We are told that the province is to spend some $70 million. Apparently the Liberal leader of Ontario says he will support the bill. I have not seen it. The leader of the Ontario New Democratic Party also approves the bill, so please do not be so critical. After all, if hon. members opposite are at one with their party colleagues in Quebec, they must also be at one with their party colleagues in Ontario. They are sending reinforcements to Quebec; perhaps they ought to send some to Ontario. Try that little twist.

Mr. Hnatyshyn: Send the Minister of Agriculture.

Mr. McCain: I deplore the government's defaulting on its responsibilities in agriculture. Perhaps that course should be described as disgraceful. During the last ten years pretty well every minister in the Trudeau government has tried, on behalf of the government, to evade financial responsibilities connected with agriculture. If the government had not evaded them, British Columbia and Alberta would not have found it necessary to embark on a subsidy program. Other provinces of Canada would not have found such subsidy programs necessary. Pork producers, cow-calf operators, and others producing in the field of agriculture would not have found it necessary to approach their respective provincial governments for subsidies. Therefore it is clear that provincial governments are shouldering the responsibilities of the federal government. The provinces are staggering under the burden of subsidies, a burden which it is the ultimate responsibility of the federal government to shoulder.

I submit that if the benefits of this legislation are to be available only to card-carrying members of organizations acceptable to the minister, it represents a further default on the part of the federal government and is contrary to principles of Canadian democracy.

The regulatory provisions are an important part of the bill. The language is not clear. What is the precise meaning of clause 14 (a) which reads:

for determining, in relation to any crop, what is a significant portion of the crop in any area represented by an organization:

Other parts of clause 14 are equally vague.

We are debating a short bill, Mr. Speaker, an incomplete bill which purports to deal with a principle. I can only say that the drafting has been faulty. It is not clear.

Let me deal with another vague point. The bill says, in so many words, that the marketing of the product concerned shall

where interest is referred to here. If there is a payment in cash rather than delivery of the goods, the interest comes into being, and the hon. member may recall—and I ask him to confirm this—that there were actual demands in the west for this kind of provision because it was felt that it was an abuse for someone with no intention of delivering a product to take the advance and then later repay in cash and try to have an interest free loan, which is not an advance against delivery. I am sure the hon. member will recall that in the western case.

Mr. Neil: If that is the explanation, I accept it. I would have hoped that the Minister of Agriculture would have made this explanation initially. I can see the reason for it, but on the other hand if an individual farmer is in a position to pay in cash for a loan he has received, either by a cash advance from the Canadian Wheat Board or under this particular bill, I do not think he should be penalized for it. However, I think this is a clause we will discuss in more detail when we get into the committee stage of the bill.

As I said, it appears after reading the bill in some detail that we will have to spend considerable time in committee listening to representations from members of various organizations and producers to determine what their feelings are with respect to this bill. Quite frankly, as mentioned a few minutes ago, if the organization is to be the lender and has to do all the administrative work with respect to the loan, it seems to me that it would have been much simpler if the bill had contained provisions for the producer to borrow directly from the bank and to have the loan guaranteed by the federal government, because a bank is set up to lend money. Banks have the facilities and the staff to process loans; organizations do not, and the cost an organization would be put to as a result of handling the administration of these loans would have to be passed on to the producer.

It seems to me that in the long run if we consider the interest which is paid by an organization to a bank, and if we add to that the cost to the organization of administering the loan, the total cost of the program will be in excess of what it would cost if the producer borrowed directly from the bank. I would suspect as well that members of organizations will be reluctant to disclose the yield of their crop to the organizations because those organizations are usually made up of fellow producers. Certainly the producer organization would have to satisfy itself that the borrower will not default, and it would be necessary therefore that the borrower disclose the extent of his production to the organization.

● (1700)

In summary, Mr. Speaker, while I am in agreement with the basic principle of the bill I think we must take a good hard look at it in committee. I think we will have to request producer organizations and others for their input. I would suspect that after the committee meetings a number of amendments will be advanced to make this bill more satisfactory to the producers.

[Mr. Lang.]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I think the greatest favour we could have done the Minister of Agriculture (Mr. Whelan) today would have been to allow this thing to slide through immediately after his remarks. However, I think he needs the comments of the members of the House.

Aid to marketing has been pretty well neglected, with few exceptions, during the past ten years, and the principle of intended support to the agricultural industry is certainly espoused by every member of the opposition, regardless of party. The method by which the principle is to be adopted is of great concern, however. I wonder what percentage of the agricultural industry is organized. There has been a great deal of publicity about labour organization, and if my memory serves me correctly statistics show that 30 per cent of the labour force is organized and 70 per cent is not. But what percentage of farmers belong to an organization that will qualify them as producers entitled to the benefits of this bill?

Mr. Whelan: Over 80 per cent.

Mr. McCain: Certainly commodities have been named which are not eligible, and there are large numbers of other items which are not eligible. A small percentage of potato farmers are organized and could take advantage of this legislation, but unless potato farmers, corn farmers, and other agricultural producers can exploit their membership in the Federation of Agriculture or some such organization as a means of using this bill, its benefits are not available to them.

In the case of the Price Stabilization Board, historically if there were not an organization per se which had the marketing, managing, and financing capability, there was provision in the legislation to allow the provincial minister to become the administrator of such a program in co-operation with the Government of Canada and perhaps the banks. Under this bill, however, there seems to be no opportunity for agriculture to organize to take advantage of advance payments. If this deficiency is not corrected before third reading I am afraid the minister will come in for a great deal of criticism.

Mr. Whelan: Prince Edward Island has a marketing board.

Mr. McCain: I do not argue that, but let us carry it one step further. Let us take the point that was made earlier that if the farmer pays the organization in cash then he is subject to interest charges. That was my understanding of the explanation. The Marketing Board of Prince Edward Island is not marketing potatoes. If that organization were used, the farmer would sell to the licensed dealer, who in turn would pass over the cash to the organization. He would not be operating within the literal limits of this bill, however, He might be operating within limits which the minister could call acceptable, but he would not be operating legally as the bill is written.

There are potato organizations in New Brunswick to which potato farmers belong. They are not agents through whom the farmer can market his crop and pay his bill in kind rather than cash to avoid interest payments, however. I think the minister should give this matter serious consideration.

will have to establish a granary system. We will either have to can commodities which cannot be stored for long periods of time, or freeze dry them or process them in some other way. Even potatoes can be freeze dried and can be processed into other forms, and in this way stored for long periods of time. This can only be done with proper storage facilities such as granaries. I suggest that Canadian farmers have not been sufficiently well off in the last ten years to be capable of developing a granary system which would provide long-term storage on their farms, with or without cash advances. If such a system is to be established, the government will have to provide some assistance such as has been provided for the storage of grains through terminal elevators and the country elevator system with the capacity to store a whole year's crop.

I do not see any mention in the bill of an effort being made to provide an orderly marketing arrangement either in this country or on a world basis. Therefore unless the provisions of this bill relate to grains which are not now covered by the Canadian Wheat Board cash advances, such as rapeseed, farm organizations as well as other agencies and even marketing agencies in Ontario will have to take some action with regard to some of the commodities that are named. They will have to make an input into those commodities before this legislation proves useful.

The sum of $200 million has been mentioned. I assume that this would cover cash advances on rapeseed. If that is so, then this should have been stated in the bill. I suggest to the minister that when he speaks about paying back cash advances within a year from September, some farmers might find difficulty with it. What do you do with a tomato crop, with potatoes, cherries, apples, or any other commodities which cannot be stored for longer periods of time? I think there are provinces like British Columbia which have some fruit storage facilities which could handle the situation for that period, but in most cases we are talking about two or three weeks.

● (1650)

When we are talking about perishable fruit and vegetable crops, we are talking about getting them on to the market. How long can you keep pumpkins, squash and so forth on the farm? They may be kept in a cellar for a little while, but they cannot be kept in a field or in a barn for very long. On the farm there is not a 12 month storage facility. We are talking about a couple of weeks. Many of the advantages in the cash advance programs which come under the Canadian Wheat Board cannot, as I understand it, be applied to root crop commodities and other commodities with which we in eastern Canada may be involved.

I look forward to the discussion in the committee. I certainly do not see anything which warrants a long debate in the committee, and I am not particularly interested in delaying the Minister of Agriculture. We may get on to something much more important if we allow this to pass. However, I would be very surprised if farm organizations are not interested in appearing and finding out just what they will be able to do if they are to participate in this $200 million. If nothing else interests them, it will be the sum of money we are going to put into this, and I hope that if the Minister of Agriculture has a brotherly love relationship with the Minister of Transport, and if he will turn this amount of money over to rapeseed producers in western Canada, then he should say so, and if not, I think some farm organizations will be very hard pressed to find out how they can take advantage of it.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my remarks in connection with this bill will be relatively brief. I have had an opportunity to examine the bill in some detail, and it is obvious to me that the bill was not presented to or discussed with various farm organizations before it was prepared and submitted to this House. It is an unusual bill. As the hon. member for Timiskaming (Mr. Peters) said, it is either a simple bill or a complicated bill. It is typical of other bills we have been dealing with over the past several years. It is filled with inconsistencies, and it is difficult to interpret.

Looking at the bill it appears that an "organization" is the lending agency, as far as the bank is concerned, and there is a general description of an organization. It means an organization of producers. I look forward to getting a more detailed explanation of what organizations are entitled to participate, because it seems to me that there are very few organizations which have the staff, the administrative capacity or the bookkeeping facilities to handle loans under this legislation.

Certainly if widespread use is made by producers of the provisions of the bill, there will be many loans to process, there will be considerable bookwork and people will be required to make certain that the loans do not go into arrears, and when an administrative structure has to be set up to do this kind of thing, it will be costly.

The hon. member for Elgin (Mr. Wise) spoke about the question of interest. There were also some comments made by the Minister of Agriculture (Mr. Whelan) and by the minister in charge of the Canadian Wheat Board, I gather, suggesting that the producer would not be called upon to pay any interest. I was hoping that, when the hon. member for Elgin completed his remarks, the Minister of Agriculture or the minister in charge of the Canadian Wheat Board would have stood up and given an explanation.

However, if we examine clause 7 on page 6 of the bill, it says, and I quote:

> Where a producer repays all or part of an advance made to him by an organization by direct payment to the organization under clause 5 (b)(i)(B) or (C), no interest is payable on the first
>
> (a) $500, or
>
> (b) 10 per cent of the advance,
>
> whichever is the lesser, so paid by him, if the advance is fully repaid without default.

Mr. Lang: Mr. Speaker, I would like to ask the hon. member a question. I wonder if the hon. member will agree that a few years ago in the House we inserted exactly this kind of provision into the western bill on cash advances, and that in effect if the product is delivered as originally agreed upon, no interest is paid, as is apparent in the first part of the clause

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was sorry to see the Minister of Transport (Mr. Lang) leave because I had the notion, when one of my colleagues was making a few comments, that he would explain this bill, if that is possible. I am surprised that none of the western members have indicated that this bill may be a bill to provide cash payments for rapeseed because it was not possible to do it in any other way. That might be what this bill is all about. If it is, then the Minister of Transport could probably tell us that better than the Minister of Agriculture (Mr. Whelan).

Mr. Whelan: Why?

Mr. Peters: The minister asks why. I am sure there has been some monkey business in the past about rapeseed. Perhaps there is a wish to provide for cash payments and this is really in the jurisdiction of the Canadian Wheat Board rather than the Department of Agriculture. Possibly it could be explained in that way.

I am sorry that the Minister of Agriculture has not referred this to the farm organizations so that there would be some feed-back.

Mr. Whelan: It is a false statement to say that they did not know anything about it.

Mr. Peters: Mr. Speaker, I appreciate the minister's comments. I have been a little worried about the Canadian Press representative in the gallery because, after seeing the bill and having listened to the minister and the remarks made by members of the opposition, I am sure he would have one hell of a time writing about the bill. This is either the most complicated or the most simple legislation we have had. It either does not say anything or it says everything.

If we are talking about grain crops we are talking about growing crops, we are talking about much of agriculture in this country in which over-production is easy. Perhaps we are talking about a food bank in which to hold the crops produced in the current year so that the producer will be able to continue in business in the coming year. This may be the beginning of such a program. If so, it is over-simplified and is not the kind of legislation that would allow the kind of impetus that would make this possible.

I think the minister will agree, because of the remarks he made at the World Food Conference in Rome, that we are prepared to over-produce in this country if markets are provided on a long-term basis, or if we produce for an export market in commodities where there is a world need. But we will not accomplish that through a cash advance program. We will have to establish a granary operated by the government in which the farmers would be able to place their crops, and then the nation as a whole would be in a position to carry out the kind of commitment Canada would be making toward a world food bank.

● (1640)

I find that one section of the bill eliminates cash advances for those crops under the Canadian Wheat Board which would have been excluded in any case and which are covered under other legislation. It is indicated that the crops concerned are grains, oil seeds, root crops and other field grown crops that are prescribed. I have not heard any farm organization, apart from rapeseed producers, asking for cash advances. I have not even heard producers of potatoes, who have been in trouble for many years in the Maritimes and in parts of Ontario, asking for a cash advance.

There is a season when potatoes are sold and the producers want a reasonable return on their product. They must either be sold in the crop year or disposed of for uses other than table use, or else a cash advance would be of no great advantage. Where it would be of advantage is on those commodities that can be stored beyond the normal sales period. Many of them can be held for considerably less than 12 months. For those crops that can be held longer than that, cash advances would make sense because they would permit the farmer to prepare for the next year's crop without having received the full return for the previous crop. That was the reason for cash advances being paid in western Canada in the years when wheat sales were almost nonexistent. The cash advance was paid so as to provide the farmer with enough money to produce the second crop. In all cases we wrote in protection which allowed the Wheat Board to collect the advance when the sales were made, and if the sales were not made in the second year, then the cash advance could be paid out again on the second crop. This could go on for several years, as has been the case on a number of occasions.

I can see the advantages of this bill with respect to rapeseed and other oil seeds in western Canada which come under the Wheat Board. I do not know why efforts have been made to put these commodities in the same position as grain under the Canadian Wheat Board. It may be that Ontario has specific problems in the same field which would warrant cash advances. But it seems to me that cash advances are being offered to farmers who are not in a position to take advantage of them. It is mentioned that these farmers must form an organization, but the word organization is so undefined that one does not know whether it involves a marketing agency. Is a marketing agency going to take possession of the stock, and is the minister really thinking of bringing in another bill? I certainly hope he is thinking of bringing in a bill which would enable farmers to store crops against future deliveries.

It seems to me that whether we make an advance to a farm unit or to an organization, we are really talking about crops that can be stored from one year to another, crops which in times of abundance can be stored in a granary for future consumption not only by Canadian consumers but also for world consumption. This would even out the ups and downs which take place in various countries because of unpredictable weather conditions. There may well come a day when many of our crops will have to be stored, not so as to gain a higher price but so as to provide for the hungry people of the world. Canada can play a role in such a situation.

If we reach a degree of sophistication which will allow us to provide a guaranteed supply for international consumption, we

was that the Minister of Agriculture (Mr. Whelan) saw fit to pay an indirect tribute to my right hon. friend from Prince Albert by saying that the advance payments policy went back to the year 1958 when my right hon. friend was Prime Minister of Canada. Now, 18 years later, the Minister of Agriculture is still hanging on to the coat-tails of the Prime Minister of that day, the right hon. member for Prince Albert (Mr. Diefenbaker), proving the worth of a policy which has stood the industry in good stead over the years.

The problem is that the Minister of Agriculture does not seem able to perceive the depth of the policy which the then Prime Minister, the right hon. member for Prince Albert, was seeking to implement. The government of that day brought in this policy in an effort to alleviate the plight of farmers in those years because of the indiscretions of the previous Liberal administration. Advance payments, however good the scheme may be, do not take the place of good, sound policies of administration involving trade, etc.

I was somewhat concerned this afternoon to hear the Minister of Agriculture, in reply to a question by the hon. member for Medicine Hat (Mr. Hargrave), say he was referring to supply-management as implemented by the President of the United States. I was wondering whether this devious Minister of Agriculture was trying to implement further control over agriculture in Canada through the presentation of this legislation.

Mr. Whelan: R. B. Bennett was accused of doing that when he started the Wheat Board.

Mr. Towers: It is a good job there is a Conservative government every few years to bring in and put in place policies which will stand the industry in good stead. The hon. member for Elgin (Mr. Wise) mentioned the fact that the bill has come to us without notes or explanation. This concerns me because, if one turns to the back page, one finds that the whole bill appears to be tied up in regulations. Why cannot these regulations be spelled out in the legislation itself rather than being left to the Minister of Agriculture and the governor in council?

● (1630)

There will be a great requirement for adequate administration if this program is to work. I am reminded of a story I read long ago. I believe it was in "Uncle Tom's Cabin", one of the slaves had to weigh his cotton at the end of the day's work and, if his cotton did not weigh up, he did not receive his rations. I fear that this is what the Minister of Agriculture will do by regulation, that is, he will demand that there be producer marketing boards or producer groups in control of the producer if the producer is to qualify for any payment.

Reference was made to the Canadian Wheat Board and to the distribution of advance payments through that medium. The key to the success of that program is the permit book. I would warn all producers who become involved in this program to ensure they do not lose any of the freedom which they are justly proud of at the present time. They will have to exercise a great deal of good judgment when they enter this program because, as good as the program may be, all commodities do not fall into the same category as grain. I think, for instance, of the man in Prince Edward Island who two years ago had to destroy his whole crop because he could not find a market for it.

What happens to the producer if he has taken the advance payment and does not find a market for his produce? This is the reason I say there must be regulations spelled out to deal with situations and circumstances which are bound to arise because there is such a differential between the movement and sale of grain and the movement and sale of other perishable farm products.

The hon. member for Elgin referred to the situation when the repayment is made in the form of cash rather than through the sale of produce. From my reading of the bill, if a producer decides to make the repayment in cash rather than in produce he would not have to pay interest on the first $500 or 10 per cent of the advance payment. I ask why the producer of perishable and other farm produce should be treated differently than the grain producer? In last year's Bill C-10, which was brought in by the minister in charge of the Canadian Wheat Board, it is particularly spelled out that the producer and each such shareholder, partner or member, jointly and severally guarantee repayment of the full amount in default, together with interest thereon at the appropriate prescribed rate per annum from the date of the making of the advance payment, in the event of a default by the actual producer. There would seem to be an inconsistency here. I do not know the reason for it.

Perhaps the minister in charge of the Canadian Wheat Board and the Minister of Agriculture are still not communicating in an effort to bring in policies that are consistent. For the life of me I cannot understand why there should be a differential here. Therefore I believe there will have to be a fair amount of dialogue in respect to this bill prior to its passage.

The government really is not guaranteeing that there will be an adequate price for the product when it is sold. It would be far better if the producer did not have to rely on advance payments. He would be better off if he could finance his operation alone. It would be far better if the government would provide for reasonable markets and a reasonable return.

The Minister of Agriculture seems to be an inward rather than an outward-looking Minister of Agriculture in regard to attempting to provide markets for agricultural products. I have reservations about the benefit of this legislation because it seems the only benefit that will accrue to the producer is the fact that he will not have to pay interest on the advance. That is what it amounts to, Mr. Speaker.

While this legislation may help some producers, and I do not deny that, it does not take the place of an adequate marketing system whereby the producer is ensured a fair price and a fair market for his produce. Mr. Speaker, I thank you for the opportunity to be heard in this debate. I look forward to an opportunity to debate the bill in committee.

To conclude these brief remarks, Mr. Speaker, I want to indicate my party's support for the intent of this legislation, though I have many reservations, only a few of which I have had the opportunity to mention. I am certain many others will be advanced by my colleagues who are to follow me in this debate. But let me signal to the government and the minister that this bill will not clear committee stage as far as we are concerned until we have had ample opportunity for consultation with and input from farm groups and farm organizations, and from those producers who have no representation at all. If the government refuses to consult, then we in this party must ensure that those consultations and input do in fact take place.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to make a few brief remarks on the bill before the House today. The first thing I want to do is to agree with the hon. member for Elgin (Mr. Wise) that the bill as drafted is rather complicated and fails to answer a lot of questions. Once we get to the committee stage we may be able to get some of the answers from the minister and make final judgment.

● (1620)

The other thing that I wanted to emphasize, Mr. Speaker, and the hon. member for Elgin has already talked about it, is that the minister should consult more closely with the farm organizations. It seems to me this is a very important part of governing people—seeking consensus from various organizations relative to one's portfolio. It seems to me the knowledge farm organizations have of this bill at the moment is not very great.

As far as the bill itself is concerned, we support the principle, the intent of the bill to make cash advances available to more farmers for more products. It is something that we in this party have talked about for many years as likely to be of some help to a number of farmers in Canada who are not eligible under the present cash advance program which is restricted to the Wheat Board area in western Canada. There are a couple of things, though, that I do have some concern about after looking at the bill very quickly.

I notice there is a ceiling limiting to $15,000 cash advances to any one person or operator. I understand the maximum number of people working in a unit can be three, which means that in some cases larger co-operative farms would be excluded from this legislation because, as I understand it, they only qualify for a cash advance when not more than three people are participating in the operation of a co-operative farm. Now there might be six or seven families participating in the running of a farm and it seems to me this is one of the areas we should examine in committee to see whether or not we might amend that clause in the bill.

The other question that occurs to me is whether or not the cash advances pertain to corporations, to companies such as Heinz, which might be involved in a certain aspect of farming. Would they qualify for an interest-free cash advance when they really do not need one? Or is the scheme limited to the ordinary producer, the ordinary family farmer? These are some of the things that cross my mind as I take a quick look at the bill.

The other point I wanted to make is that a bill such as the one before us today, albeit it is going in the right direction, is by no means the answer to the problems farmers face. Many people say: "Well, things are very good; out in the prairies the price of grain is very high; farmers are doing well; they do not have many problems." But farm income historically goes up and down like a yo-yo. It is about time the government brought in more adequate farm income stabilization programs covering not just prairie grains or certain crops in Ontario but all farm products in this country so that farmers would enjoy support and stability of income. In this way more people would be staying on the land and there would be greater production of food in this country. All we need to do is look at the statistics concerning farmers leaving the land.

Farmers are still leaving the land at a very alarming rate and we are not going to keep them on the land just through an expansion of the cash advance program. What we need is a farm income stability program. We could use the model in British Columbia as one very good example brought in by the provincial NDP government. That is something that could be copied here in Ottawa at the federal level.

If the Minister of Agriculture (Mr. Whelan) really wants to keep farmers on the land he has to resolve some of the other problems such as the problem presently afflicting cow-calf operators. The federal government should be paying a lot more attention to this problem and coming forth with a program costing tens of millions of dollars to support cow-calf operators, to fill some of the gaps in some of the provincial programs that are already in existence. That is one way of helping the ordinary farmer in this country.

Another point, and I know the minster shares my views on this, is that we should be looking at the feasibility of a national marketing agency forecast to help the cow-calf operator, to give him some security and some collective process in the market place. These are things we have to look at in the long term if we really want to help the food producer in Canada. Cash advances are only a very small part of helping producers. If we want to help the farmers, we have to keep them on the land, and we will keep them on the land by guaranteeing them an income. If we fail to do this farms are going to be larger and larger and agro-business will become more and more powerful. In the long run this will hurt not only the small rural community but it will hurt the consumer in the price he pays for food at the receiving end.

Rather than go on at length at this time I should like to hear some more spokespeople from the Liberal side, perhaps the minister responsible for the Wheat Board, answering some of the questions that have been raised, before participating at the committee level in terms of asking precise questions about the way in which this bill would apply to the various produce groups across Canada.

Mr. Gordon Towers (Red Deer): Mr. Speaker, in rising to take part in the debate on Bill C-2 let me say how pleased I

application. It appears on the surface, at least, to extend to some degree a similar program presently in operation, for example in the jurisdiction of the Canadian Wheat Board, to the producers of farm stored crops throughout the rest of Canada.

However, in no way does this bill extend the advance payment program to all producers. For example, producers of most, if not all fruit crops, and the producers of most vegetable crops will not be covered. Nowhere in this bill do I see any opportunity for them to be included.

Mr. Whelan: Why won't they be included? Even tobacco growers are.

Mr. Wise: The minister asks why they won't be included and mentions tobacco. I cannot for the life of me see how in the world producers of flue-cured tobacco would ever take advantage of this bill. However, that remains to be seen and I shall be anxious to get their comments on it.

The throne speech made some mention of the government's intention to communicate with farm organizations and farm groups. We on this side of the House, particularly in this party, have always maintained that consultation on agricultural legislation with farm groups and farm organizations is of paramount importance, indeed essential. In my discussions with farm organizations yesterday and today none of them indicated that they had even possessed a copy of this bill. In reality, Mr. Speaker, the government does not discuss. It pretends to discuss, and in fact continues to ignore.

Not having had an adequate opportunity to review this bill, and not having had an opportunity of seeking the views and advice of producers, we are at this time unable to uncover many of its shortcomings. However, some questions are obvious; for example, the definition of an organization. For many crops, perhaps a hundred or so across the country, there is in one form or another a marketing board, a marketing agency or a marketing commission. On the other hand, none of these exist for other crops. Producers of grain corn are a case in point. Will the corn council constitute an organization and meet the requirements of the act to qualify, if, of course, the corn producers wish to participate?

What in the eyes of the government will in fact constitute an organization? Will producers who for some reason or other do not have a so-called organization be excluded? Another example is the definition of a producer. Who will constitute a bona fide producer? Will he or she be obligated to produce a certain volume of produce, or will that produce have to have a certain dollar value to qualify?

Another section of the bill that concerns me is clause 5, which provides:

> The Minister may give a guarantee to an organization under this Act only if
>
> (a) he is satisfied that the producers to whom the organization proposes to make advances have produced a significant portion of the crop in question in the area represented by that organization, and that the making of those advances will facilitate the orderly marketing of that crop in that area;—

This provision would make one wonder whether, if in the opinion of the minister certain market or other conditions did not exist, any advance payment would be made available to the producers. It also seems to indicate that producers in certain areas may not in fact be eligible for the scheme. I asked an official in the Department of Agriculture, in the particular division that I would expect to administer this bill, who is going to finance the interest charges? His reply to me was, "The government". Clause 7 indicates that only a partial exemption of interest payments would be permitted by the government, namely, interest on the first $500 or 10 per cent of the advance, whichever is the lesser. This really means a maximum of $500. I see the minister in charge of the Wheat Board shaking his head so perhaps we will hear some clarification from him or other members of his party.

Mr. Lang: There is a total exemption.

Mr. Wise: So far as those producers under the jurisdiction of the Canadian Wheat Board are concerned, when it comes to advance payments the interest charges are in fact picked up. This particular bill, as I read it, provides at the present time that only a portion of the interest charges will be picked up to a maximum of $500.

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

Mr. Wise: Normally I would, Mr. Speaker, but I have only a few brief remarks to make and I am quite certain the minister will pose his question later. Let me just say that if that is the case, then this bill really discriminates against the producers.

Mr. Whelan: It is not the case and I said it was not.

Mr. Wise: Well, the minister will clarify the situation at the end and this will resolve our difficulties. However, it appears from reading the bill, and it appears to the farm organizations and farm agencies involved, that the bill is discriminatory in nature since it does not provide the same benefits and assistance to producers outside the jurisdiction of the Wheat Board.

Mr. Lang: That is wrong. Do not mislead.

Mr. Wise: These are a few questions which come to light immediately. My colleagues and I will be raising many others during this debate and also in committee. Given the experiences of the past, when the government operates or offers a plan, be it to farmers or to other sectors of our society, this in itself is reason for caution and concern. We intend to question the amount of financial assistance, both the total and the maximum amount given individuals and partnerships. This must be done to assess fairly this program's usefulness and effectiveness.

We are concerned as well, Mr. Speaker, again because of experience, about delays in making the advance payments themselves. When the government says that payments will be made soon, this provides small comfort or satisfaction to producers. Ask the producers who have yet to receive payment for livestock losses under Bill C-28. Payments to Ontario wheat producers are always late, usually long overdue.

ducer organization applying for a cash advance represents a significant portion of the crop for the area in question. On this point my department will take appropriate measures to guarantee that such organizations do, in fact, represent a significant portion of the crop in that area. The organization must also indicate that making such advance payments will facilitate orderly marketing of that crop.

It must also satisfy the government that it will repay the money borrowed to make advance payments. The act covers all the possibilities of producer default, but the experience of the Prairie Grain Advance Program indicated that there is a very small percentage of producers who ever default on the advance payments.

In the case of producers the portion of the crop on which an advance payment is made is to be stored by the producer, either on his own premises, on another farm or commercially, providing the grain is stored in his own name. A producer cannot receive an advance if he is in arrears or in default for a previous advance.

Applications for advance payments must be made before a set date and must include all relevant information as required by the act. The maximum amount advanced in any crop year to one producer eligible under the act is $15,000. Multifarmer units can receive a maximum of $30,000 or $45,000, depending on the number of parties involved. These levels have been established similarly to those under Prairie Grain Advance Payments.

Yet in all cases the amount of an advance payment possible under this act cannot exceed one half of the unit market price payable for that crop in that crop year. For example, if Ontario wheat is selling at $3.50 a bushel, and I use this only to show what we will be lending, then the payment can be up to $1.75 a bushel in the first year.

The logic behind Bill C-2 is not new for Canadian agriculture. The act would ease the cash flow to farmers of storable crops when they need it most. However, there are many other similar programs in agriculture which provide stability to farmers.

In addition to the Prairie Grain Advance Payment Act, mentioned previously, we also have the Western Grain Stabilization Act which helps to protect western grain farmers from large, unexpected declines in returns from the production and sale of their grain. Such drops in the market are caused by factors beyond the control of both the farmer and the government.

Furthermore, the Farm Credit Corporation makes available large amounts of money to producers to assist them in establishing and developing sound farm enterprises. The Agricultural Stabilization Act provides a miminum support level for named commodities under the act at 90 per cent of the previous five-year average. In addition, other commodities can be designated for support if the need arises.

We also have a Crop Insurance Act which provides Canadian producers with insurance in the case of crop damage or failure. Most farmers use this program every year. The Agricultural Product Co-operative Marketing Act is designed to encourage and protect co-operative marketing of Canadian agricultural commodities.

All these measures are meant to help farmers cope with the many risks and uncertainties of agricultural production. However, consumers as well benefit from these various programs because the market will be supplied in a much more orderly fashion.

In Bill C-2, by providing Canadian producers of storable crops with a way to ease their cash flow problems, the government is stabilizing crop production levels. This in turn will ensure year-round availability of Canadian food products at reasonable costs to Canadian consumers.

Instead of having to depend on imported food products, we will assist Canadian producers by providing controlled atmospheric temperature storage where it will be possible to store fresh vegetables as long as eight months. This will enable us to supply many of the commodities it is now necessary to import.

A good example of this is cabbage. According to research conducted in my department over a period of years, cabbage that has been stored for several months is in as good a condition or better when removed from storage. This is also true of potatoes, several million dollars worth of which have been stored in the last two years. The province of British Columbia has used the largest share of money available for this; however, other provinces are now participating in this program.

Up to this time it has been necessary to borrow the money required to finance this operation until the commodities have been sold. When this bill becomes law, producers of storable crops will have the same type of program that has been available to western farmers under the Canadian Wheat Board Act. This is a step forward, something I have been promising for some time. It will be beneficial to many farmers in all parts of Canada, as well as Canadian consumers who will be able to purchase these Canadian products. Therefore I strongly urge my colleagues in the House to support Bill C-2, and I trust that it will receive approval and speedy passage in the House.

• (1610)

Mr. John Wise (Elgin): Mr. Speaker, in responding to, or perhaps more accurately participating in, the debate on Bill C-2, I feel obligated once again to mention the fact that the bill, which provides for advance payment for crops, is the only piece of agricultural legislation referred to in the Speech from the Throne. It is another indication that the government cares less about the building or maintaining of a strong agricultural industry in this country. The title of this bill should more accurately read, "advance payments with limitations to only some farm stored crops".

Bill C-2 is the latest example of the government's action to provide more piecemeal legislation to another sector of agriculture. It is an open admission that the government is totally lacking an over-all agricultural policy. On reviewing the bill it is obvious that it is poorly drafted. There are no explanatory notes, and no one seems to know much about it, particularly its

and 3 of question No. 22, would the hon. member please see the answer given on October 26 last to question No. 21.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTION FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 22 is acceptable to the government, subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

Mr. Speaker: Order, please. Subject to the conditions described, shall notice of motion for the production of papers No. 22 be deemed to have been adopted?

Some hon. Members: Agreed.

COPIES OF ALL CORRESPONDENCE AND REPORTS RELATING TO ADMISSION FEE TO LOWER FORT GARRY, MANITOBA

Motion No. 22—**Mr. Whiteway:**

That an Order of the House do issue for copies of the minutes of all meetings, correspondence, telegrams, and task force reports considered by the government in the establishment of a fee structure for admission to Lower Fort Garry in Manitoba.

Motion agreed to.

Mr. Goodale: I ask, Mr. Speaker, that the other notices of motions for the production of papers be allowed to stand.

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ADVANCE PAYMENTS FOR CROPS ACT

MEASURE TO FACILITATE MAKING ADVANCE PAYMENTS FOR CROPS

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-2, to facilitate the making of advance payments for crops, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, I have promised for some time to bring in a program that would help relieve financial pressure on producers of storable crops in Canada. Bill C-2 was written with that purpose in mind.

Advance Payments for Crops

Since 1958 producers of wheat, oats and barley in the Canadian Wheat Board designated area have been able to receive advance payments under the provisions of the Prairie Grain Advance Payments Act. The program has worked very well and western grain farmers have benefited greatly. The act has improved the cash flow to grain farmers particularly after the critical harvest period and when low Canadian Wheat Board quotas restricted deliveries. Western grain farmers face delivery restrictions after harvest, but they have the benefit of the PGAP program under which they can receive interest-free advance payments on undelivered grain.

Wheat, oats and barley sold to the Canadian Wheat Board in its designated area are the only three crops in Canada for which this privilege is extended. Yet all other grain producers and producers of storable crops face the same market glut and storage problems that hit western grain farmers during the post-harvest period. Most storable crops produced in Canada are not subject to the marketing quota controls and price pooling schemes available for wheat, oats and barley. As a result, markets for these crops are often depressed, particularly during the months immediately following harvest.

• (1600)

Producers have incurred most of their total production costs by harvest time and they must then find money to pay off their debts. Often they will rush to sell just enough of their crop to cover their production costs. Accordingly, market congestion or depressed prices result, and a lot of people count on it. This can needlessly depress returns to farmers during this period. In addition it can result in loss of efficiency in marketing and loss of profitability. This is why producers of storable crops, including producers of wheat, oats and barley in regions other than the Canadian Wheat Board designated area have requested a similar opportunity of receiving interest-free advances.

The objective of the Advance Payments for Crops Act, known as Bill C-2, is designed to extend the existing program for wheat, oats and barley in the Canadian Wheat Board designated area, to all other storable crops such as Ontario wheat, white beans, tree fruits, cole and root crops, tobacco, soybeans, horticultural crops, et cetera, in the rest of Canada including those in the wheat board designated area.

The act will provide the legislative authority for the federal government to guarantee the repayment of advance payments on storable crops. In addition it will guarantee the interest on such advance payments when they are made in accordance with the provisions of the act.

The government proposes in Bill C-2 that, where a producer organization intends to make an advance payment to a producer out of money borrowed from a bank for that purpose, the government will guarantee repayment of the advances, including the interest being charged. In case of producer defaults, we would not be liable for more than one half the price of applicable crops.

The grain and special crops division in my department will administer the act. In order to receive a guarantee from the government, my department must be satisfied that the pro-

Order Paper Questions

[*Text*]

DISPOSAL OF GOVERNMENT PRINTED MATERIAL

Question No. 39—**Mr. Cossitt:**

Since January 1, 1974, did the Department of Supply and Services authorize the destruction or disposal of government printed material and, if so, in each case (a) what was its nature (b) for what reason was it destroyed or disposed of (c) what was the quantity destroyed or disposed of (d) what was the cost to the taxpayer (e) what was the total value of such material?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Prior to March 2, 1976, the publishing functions for the Federal Government were the responsibility of Information Canada. Since March 2, these functions have been integrated into the Department of Supply and Services. (a) and (b) Publications which have become outdated, redundant or spoiled and which were initially produced on behalf of customer departments. No record is kept of the quantity or value of destroyed printed materials as a result of normal operating procedures. (c) No quantity figures are kept on destroyed printed material. It should be noted, however, that all destruction and disposal of printed material on the part of the Publishing Centre was, and will continue to be effected in accordance with Treasury Board authority 667239, April 6, 1976, Section I, Article 68 and Section II, Article 34; the Auditor General's representative is notified in advance of all impending actions to destroy. (d) $52,402; (e) $52,402.

NOTE: Records indicate that Information Canada destroyed $160,708 of printed material from January 1, 1974 to March 1, 1976.

PRIVY COUNCIL OFFICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 136—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Privy Council Office?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Allan J. MacEachen (President of the Privy Council): None.

PRIME MINISTER'S OFFICE—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 286—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Prime Minister's Office?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Allan J. MacEachen (President of the Privy Council): None.

[Mr. Goodale.]

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT—CONTRACTS FOR PROFESSIONAL SERVICES

Question No. 291—**Mr. Orlikow:**

1. For the fiscal year 1975-1976, what contracts for professional services were let (a) for studies, surveys and analyses into present or future policies, programs or information analysis, and their efficiency and effectiveness (b) into the examination of the administration or internal operation of the Canadian Governmental Conference Secretariat?

2. How much was committed on each contract and to whom?

3. What were the comparable figures for the fiscal year 1973-1974?

Hon. Allan J. MacEachen (President of the Privy Council):

1. None.

2. Not applicable.

3. Not applicable.

MACHINE TO MAKE REPLICAS OF PRIME MINISTER'S SIGNATURE

Question No. 639—**Mr. Beatty:**

Does the Prime Minister's Office have a machine that is used to make replicas of his signature and, if so, how many times was it used in 1975 to sign (a) letters (b) other documents?

Hon. Allan J. MacEachen (President of the Privy Council): Yes. (a) and (b) Statistics not available.

* * *

[*English*]

STARRED QUESTION

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred question No. 22?

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

*PRIVATE RAILWAY CARS

Question No. 22—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Transport travelled at public expense by private railway car from Ottawa to Saskatoon from August 20 to 24, 1974 and from Ottawa to Regina from August 27 to September 1, 1975 and that the purpose of the trips are unknown since the Minister made the trips in question, what are the reasons justifying the answer, on his behalf, stating the purpose as unknown?

2. Will the Minister make public (a) the purpose of each trip (b) the names of all others on board at any time (c) the number of miles travelled and the cost involved at the stated price of $1.95 per mile (d) any stops made by the Minister en route and the purpose in each case (e) the number of personnel on duty to operate the services in the cars?

3. Will the Minister make public this information and, if not, for what reason?

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, for the answer to paragraphs 1, 2

So, in closing, I wish him every possible success and feel sure that we may see him again on the parliamentary scene.

● (1550)

[*English*]

Hon. Allan. J. MacEachen (President of the Privy Council): Mr. Speaker, this has been quite a week for the House of Commons, and quite a week for Quebec.

Mr. Knowles (Winnipeg North Centre): And quite a week for the Liberal party too.

Mr. MacEachen: Again I have to confess to mixed emotions in bidding farewell to a friend and colleague who has been in this House for almost 15 years. During that time we have fought together in many political wars. I can only admire his grit and tenacity in marching off to yet another battle.

The hon. member has forged for himself a special place in this Chamber, and, indeed, in the minds of individual Canadians across this country. He is a politician of tremendous heart and eloquence, as befits his Irish ancestry. In the finest sense of the word, he is a populist politician whose primary dedication has always been for the welfare of those who, for one reason or another, may be less able than others to enjoy the full benefits of life in this country.

The hon. member has also been in the vanguard of another cause which he has articulated in this House and outside consistently throughout the years, that of unity and understanding in our country. It is a cause he has fought for with the emotion of a true believer, and it is this belief which is now taking him from Ottawa back to his native province.

All of us in the House will miss him. We will miss his participation in debates, and the House itself will be much poorer for the loss of this fighting Irishman from Verdun. We, on this side of the House, wish him great success in the forthcoming campaign, and I want to wish him an early return back to the House of Commons.

Some hon. Members: Hear, hear!

Mr. Leonard C. Jones (Moncton): Mr. Speaker, I rise to speak on this point of order not as a member of a party but as the only Independent member in the House of Commons. Being independent I can speak frankly, because I do not belong to any party which is represented in the place where the hon. member for Verdun (Mr. Mackasey) is going to do battle. I have learned to respect this man greatly, and have had excellent rapport with the hon. member for Verdun. I bring him the best wishes of the people of Moncton, one of his former home towns, or at least a former home town of the Mackaseys, his parents. I recall the occasion when he answered my first question in the House of Commons, about two years ago. It so happened that I did not hear him, and read his answer in *Hansard*, where the interpretation put on what he said was "soon." May God bless him.

Mr. Speaker: Order, please. Perhaps I may be allowed to add a personal word of tribute on the retirement of this very senior and distinguished member of the House of Commons who has served his country faithfully for some 15 years.

It is difficult to add anything to the eloquent tributes paid so glowingly to the hon. member for Verdun (Mr. Mackasey). If any one thing may be said to characterize his performance in public life, it is this: despite his ascendancy to a position of great power he never forgot the common man with whom he had worked while he was rising to heights of power. He never forgot the kind of people who had elected him to the House of Commons. His touch in that respect carried him to great performances, particularly in two of the four important portfolios he held with such distinction.

As minister of labour, when there was great labour strife, he displayed his remarkable touch with the rank and file and organizations involved; he repeated that performance when he was postmaster general, when similar kinds of difficulties arose. As long as his touch with the common man permeates his work, all of us will continue to benefit from his distinguished service. I am sure we all wish him well.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs) moved for leave to introduce Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof.

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

QUESTIONS ON THE ORDER PAPER

[*English*]

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 39, 136, 286, 291 and 639.

all concerned to see one Canada, united from one end of the country to the other.

An hon. Member: With the exception of '68, Bryce.

Mr. Mackasey: There are exceptions to what I am saying. There is bound to be the odd separatist in this House, and I am sorry. I want to say that I do believe we can have a country where each other's language is respected, regardless of what it is. I intend to fight for the minorities in Quebec, and I hope that all members of the House will fight equally as hard for the minorities in New Brunswick, Ontario, Manitoba and elsewhere.

Some hon. Members: Hear, hear!

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in rising to speak to this point of order I must note a certain irony: it took the hon. member for Verdun (Mr. Mackasey) almost as long to make his announcement as it did for him to take his decision. My colleagues on this side of the House wonder what we are getting into when every second day we have to stand up and bid farewell to another former minister of the government.

I should say, Mr. Speaker, that while there have often been disagreements with the hon. member for Verdun, particularly when he served in ministerial capacity and while he engaged in a lively form of debate in this House of Commons, we all very much enjoyed his presence and his contributions to the debates of this House and to the government of the country. I think it is fair to say that on this side of the House we had a particular regard for the fact that the hon. member for Verdun always stood out from his colleagues as a minister who had a particular interest in the ordinary citizens of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: I am sure that that quality will continue to stand him in good stead. We naturally will not intrude in the decision to be made in the province of Quebec in the impending election. I think I can speak for my party and the House, however, and say that we will watch the progress of the hon. member for Verdun with interest and we will miss his presence here in this House.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on behalf of the New Democratic Party I am happy to join in these words of farewell to our good friend, the hon. member for Verdun (Mr. Mackasey). I have noticed during the years that the appellation we like to use for persons for whom we have a great deal of respect is "a House of Commons man". We can say that of the hon. member for Verdun, and I am happy to do so. His debating style has been most interesting. Many of us have had the experience of hearing him speak in strong support of something that we stood for, and we have had the experience a few days later of hearing him tear us apart.

Mr. Goodale: He was right both times.

[Mr. Mackasey.]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my hon. friend the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) kept quiet yesterday. I think he should—

Some hon. Members: Hear, hear!

Mr. Goodale: My answer to that is no.

Mr. Knowles (Winnipeg North Centre): The hon. member should be careful not to say no when we are saying kind things about the hon. member for Verdun.

Perhaps I could note that the hon. member came here first in an election that was held on my birthday in 1962. There must have been something in the stars. During these years he has been a very active private member; he has been a parliamentary secretary, and he has been a cabinet minister holding four different portfolios. Now that he is leaving and we cannot do him any harm in his party I do not mind saying that we in this party felt there were times when in him we had a little bit of a voice in the Liberal cabinet.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): One must not feel he has to explain what he says but I did not mean we told him what to say. He had a labour or a peoples point of view, of which there is far too little in that cabinet of millionaires.

So, Mr. Speaker, we shall long remember the hon. member for Verdun and his contribution to the work of this House. We look forward to his participation in the campaign he is entering, and certainly welcome the balanced emphasis he is trying to make. On behalf of my colleagues I wish him the very best.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on behalf of the Social Credit Party of Canada and its members, I echo the words just spoken by the hon. member for Verdun (Mr. Mackasey). I heard him last night on television and once again I noticed his straightforward speech, which I always enjoy. To my mind, he has left his stamp on the House of Commons just as he probably will tomorrow in Quebec.

I believe, Mr. Speaker, that the province of Quebec has need of such men as he, who can speak frankly, without dodging the issues. I feel the province of Quebec has need of men of experience who, as I said a moment ago, will speak frankly and, with Irish blood in their veins, for Irish blood never cools down. I have several Irishmen in my riding and in order to respect the truth they often choose to give up their place to others.

We of the Social Credit Party at the federal level—the same does not go for the Ralliement des créditistes at the provincial level—wish considerable success to the hon. member for Verdun. We noticed that our discussions with him were open, honest: when we needed him when he held portfolios in the House of Commons, his replies were always prompt, energetic and above all pleasing to my constituents.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I certainly do not want to delay this any longer.

Some hon. Members: Then don't; sit down.

Mr. Hnatyshyn: However, I did want to raise a novel point as a result of the remarks made by the government House leader and by the hon. member for Vancouver Kingsway (Mrs. Holt). I think the position stated by the government House leader and by the hon. member for Vancouver Kingsway is that the opposition somehow caused its own difficulties in losing the question period yesterday.

Mr. Speaker, you know that it has been the practice in this House for you—and today was a good example when you recognized no less than, I think, three backbenchers of the government party, if not more, and one for a motion under Standing Order 43—to recognize that each backbencher, on whatever side of the House, should be entitled to ask questions. In view of the admission made by the government House leader that the opposition has rights with respect to the question period—and I am sure that is unanimous—and in view of the refusal on the part of backbenchers on the government side to allow us to proceed with the question period yesterday, I would think that Your Honour would want to consider, among other things, in future refusing to allow government backbenchers to ask questions during the question period. They obviously do not want to support the question period.

Mr. MacGuigan: Mr. Speaker, I appreciate your position on this question, and I want to be brief and refer only to the procedural aspect of the question.

The hon. member for Grenville-Carleton (Mr. Baker) has treated us to an interesting excursus on what might be called the legislative history of the rule if we were dealing with a statute. I suppose we can refer to it merely as the history of the rule. The fact is that in our tradition of interpretation such history is not relevant when we are confronted with a rule which covers a situation. How the rule came to be there is not a point which is relevant. It is only a question of what the rule means, and even if we admit that the legislative history is relevant, none of the quotations which were given to us by the hon. member for Grenville-Carleton indicate that the committee had in mind this particular problem. It is clearly an unusual problem, one which was not in the mind of the committee when it deliberated on its rules, and nothing the hon. member read or said covered the situation at all.

In other words, there is a complete gap, and again we are in a situation where we have a rule which was adopted and which covers the situation exactly. The interpretation may not be palatable to members of the opposition, but the fact is that the rule covers the situation, and I submit that in such a case Your Honour has no choice but to follow the clear meaning of the rule.

Mr. Jones: Mr. Speaker, I sincerely believe that we have heard enough on this subject. Could there not be unanimous consent that this matter be referred to the appropriate committee now and that this stupid debate be halted?

Mr. Speaker: Order, please. Whether in the form of a reference by unanimous consent or a request, I certainly have asked that the matter be referred to the Standing Committee on Procedure and Organization, and I am sure that that standing committee will reflect on the question.

* * *

● (1540)

HOUSE OF COMMONS

RESIGNATION OF MEMBER FOR VERDUN

Hon. Bryce Mackasey (Verdun): Mr. Speaker, in rising on a point of order I am conscious that I am infringing on the time of the House and I appreciate its indulgence. I am rather flattered that the House has taken an hour and a half to delay my resignation from the House of Commons. I am not sure of the reason, of course.

Mr. Prud'homme: We like you.

Some hon. Members: Hear, hear!

Mr. Mackasey: This House is a House of debate and the debate just concluded was so spirited that I have almost changed my mind and might possibly reconsider my decision.

Some hon. Members: Hear, hear!

Mr. Mackasey: I just want to say very briefly, Mr. Speaker, that I wish to thank you for the courtesy that has been extended to me for 15 years by the Chair. Sometimes it required a great deal of patience on your part. I want to apologize to any enemies I may have made because of my particular type of debating, and I want to say that I am conscious I am leaving the highest court in Canada. As I listened to the excellent debaters from all parties I have been aware that there have been some very great debaters in the 15 years I have been in this House, not the least of whom have been the right hon. member for Prince Albert (Mr. Diefenbaker), the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) who was the former leader of the New Democratic Party, the present House leaders and, of course, the great Mr. Pearson, and the present Prime Minister (Mr. Trudeau).

I am not going very far, Mr. Speaker, but to another arena to continue showing something that has been important to me in my 15 years here, and that is, concern for national unity in this country.

Some hon. Members: Hear, hear!

Mr. Mackasey: I know that I speak for all members of the House of Commons without exception when I say that we are

S.O. 43

So far as Standing Order 43 is concerned, it has become completely emasculated as a result of governmental action.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: No matter what the motion has been, with one or two exceptions there has always been that chorus of noes. Now today, the government finding itself embarrassed by what happened yesterday—

Mrs. Holt: It is you who are embarrassed.

Mr. Diefenbaker: —instead of admitting its mistake, instead of being clad in sackcloth and ashes, politically speaking, decided to put the blame on the opposition. Imagine members of this government condemning the opposition for its failure to live up to true parliamentary procedure when the government itself has been the prime reason for the degradation of this House of Commons.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: It could never have been anticipated that a situation such as this would arise, and it is as the result of experience that the hon. member for Grenville-Carleton has raised this question. If the rule is allowed to stay in its present form, whenever a motion is put to the House under Standing Order 43 and a vote takes place, the government can keep its members out and thus deny us the opportunity to have a question period.

● (1530)

As a result of the experience of yesterday I think a very decided improvement can be made to make Standing Order 43 uphold parliament rather than undermine it. I do not think what happened yesterday will ever happen again because apparently in the intervening 24 hours the Liberal members got together, and they all with one accord today said no. They are taking no chances any more, and I do not think this question will ever arise again.

However, I do point out the tremendous danger there is to this institution if the correctness of the ruling you made yesterday, Mr. Speaker, is upheld as it should be on the basis of the rules as they are, for it will mean that any time the government decides it wants to do away with our hour, or whatever period it is for the question period, it will simply allow a vote to take place; the Liberal members will not come in, the hour will be gone, and we will be denied almost the only surviving right members of the opposition have in parliament.

Some hon. Members: Hear, hear!

Mr. Speaker: I am going to ask the co-operation of hon. members. There has been a rather full discussion on what is essentially a very straightforward question of procedure. I will not fail to recognize hon. members who want to participate in the discussion, but it is, after all, a procedural matter. To this point it has been given a rather exhaustive treatment. Unless hon. members have a new and different point to raise which might bear on the deliberations of the committee on this question, I ask them to refrain from further discussion in order that we can get on to other matters.

Mrs. Holt: Mr. Speaker, I gather you are anxious to cut this debate short, but I feel that there has been a reflection on many of us with regard to the voting yesterday. It has been said that we are contributing to the degradation of the House, and that requires an answer. The events of yesterday are relevant to the principle of this debate. Hon. members opposite were the authors of their own misfortune, and today they are paying for it.

Some hon. Members: Oh, oh!

Mrs. Holt: But what upsets me—

Some hon. Members: Oh, oh!

Mrs. Holt: I have the right to speak in this House; I was elected to this House, as were all of you.

I am very concerned. Yesterday hon. members opposite yelled at some of us asking, "What about widows and orphans?" That is the type of fakery which went on in this House yesterday, and I object to that. I am a responsible member who cares about all widows and orphans, but not exclusively—

Some hon. Members: How did you vote?

Mrs. Holt: —not exclusively the widows and orphans of public servants, not to make them into a special class with 100 per cent pension. They are now highly paid. I care about the widows of teachers, laborers, clerks, and hon. members opposite were trying to indicate that I do not care, that we do not care.

Mr. Speaker: Order, please. There are a number of difficulties with regard to casting reflections on what took place yesterday. One of the most serious dangers is that of raising the subject in debate. The motion was before the House yesterday for decision. It could have been debated at that time. One of the things I am not going to do is permit a re-opening of the debate on that motion. That could have taken place yesterday. If there is a further contribution to be made with regard to the procedural decision, I will welcome it; otherwise, I ask hon. members to let us get on to another subject.

Mrs. Holt: I just maintain that it is relevant to the debate, and because of what they created themselves hon. members opposite want to change the rules of this House. They were the authors of their own destiny, and now they weep. If they have a complaint, they should look into a mirror and see who caused the situation whereby the question period was lost.

Hon. members on this side of the House are not the ones who are degrading the affairs of the House. We care about Canada. The degradation is their own doing. Hon. members opposite seem to think that we should play games here, and I resent that. I do not have enough time in my life to waste on that sort of activity.

should be stated clearly that his contention that it was the fault of the opposition that a vote was taken yesterday is completely false.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): When the yeas and nays were called, it was clear that the yeas had it and it was so ruled from the Chair. There was a recorded vote only because the Liberal members stood and asked for it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As for the challenge that I received from the President of the Privy Council on whether there was urgency to the motion that I moved yesterday, I suggest that the position of widows on 50 per cent pensions is always urgent, but it was made particularly urgent by a speech made by the Minister of Justice (Mr. Basford) the day before in which he proclaimed that the government was doing all sorts of things to establish equality between men and women. I felt that if that position was going to be taken, it was time to carry it all the way and to provide for equal treatment for widows on pensions.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Now, Mr. Speaker, I want to say that I appreciate and welcome the response that you made to the case that was presented by the hon. member for Grenville-Carleton. I think we are agreed that the question period should start at 2.15 p.m. and end at 3 p.m., and therefore that if a motion under Standing Order 43 is going to be debated or voted upon, it should be put over until some later time. I was a little concerned when Your Honour said that if the matter were under debate, that debate would have to end at 2.15. But later you chose different words and suggested that it should be interrupted at that point. It seems to me that under the rules a motion that is allowed is one that can be debated according to the rules of the House, and to say that an interruption at 2.15 means an indefinite postponement of that debate would, I think, be a mistake.

I believe there was sheer logic in the indication of the hon. member for Grenville-Carleton that when a motion is proposed under Standing Order 43 and it is proposed prior to 2.15, if it is under debate or under a vote at 2.15 it should simply be postponed until the question period and the routine proceedings are out of the way.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I agree with the stand Your Honour took yesterday that by the time 2.15 was reached the bells were ringing and you could not interrupt the ringing of those bells. But it does seem to me that for the future, even if we have to consider this matter in the Standing Committee on Procedure and Organization, there should be some understanding that the clear right of members to move motions under Standing Order 43 should not wipe out the clear right of this House of Commons to have a question period.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I invite the President of the Privy Council to get back to the mood that he used to have and to his feel for parliament and, once he has it, he will take a much different stand from the one he took today.

Mr. Speaker: Order, please. I do not want to restrict the discussion unduly but there has been a tendency among the first three contributors to this very interesting discussion to make extensive reflections on the events of yesterday. That may have been a necessary part of their presentations, but in any case it had to be permitted in order to hear out the hon. member for Grenville-Carleton (Mr. Baker), and therefore I permitted it with the other two members involved in the discussion. We should be clear that what we are discussing is not the events of yesterday—that issue was decided yesterday, the decision finalized, and is not to be the subject of further comment.

Some hon. Members: Hear, hear!

Mr. Speaker: There is a clear conflict and some indecision which I am sure all hon. members had failed to anticipate, once a matter goes to a vote, and indeed should a matter in theory be under discussion at 2.15, as to what should take place at 2.15. I do not share the same indecision about it in respect of a vote, but certainly if it is under discussion, it poses some questions that are unanswered.

Surely the best way to resolve this now that the situation has arisen, and may again, I suppose, however remote that chance may be, is to invite the Standing Committee on Procedure and Organization to examine the proposal put forward by the hon. member for Grenville-Carleton at the earliest opportunity to see whether the committee has any recommendations for a change in rules which might clarify the matter. Otherwise we might await discussion and deliberation by the committee. If the committee has no report or recommendation to make, then perhaps the point could be rediscussed in the House, but the matter should go to the Standing Committee on Procedure and Organization by way of the suggestion of the hon. member for Grenville-Carleton to see whether or not there is disposition in the committee to come up with a clarifying amendment to the rule.

Mr. Diefenbaker: Mr. Speaker, the only reason I rise is the observations that were made by the Acting Prime Minister and House leader (Mr. MacEachen) in which he endeavoured to explain away the hibernation of the government yesterday in failing to utter the regular "no" which has become so orchestrated that no exception can be made to it. I sat here yesterday and I watched the government, as I do with an interest which is completely objective. It was very interesting. Everybody looked at everybody else over there. The one who was to say "no" did not say anything. There they sat, that strong and silent group. And then no one raised the negative voice.

Mr. Clark: He has forgotten that.

Mr. MacEachen: The solution is well within the control of the members of the opposition because if they wish, as a matter of repeated practice, every day to propose motions under Standing Order 43 then they must accept the full implications of taking that step so frequently. In my view it is a clear abuse of the intentions of Standing Order 43. Standing Order 43 states:

A motion may, in case of urgent and pressing necessity previously explained by the mover, be made by unanimous consent of the House without notice having been given under Standing Order 42.

If the hon. member for Winnipeg North Centre (Mr. Knowles) felt that the question he proposed yesterday was of urgent and pressing necessity, so urgent and pressing that it ought to be brought in with the possible putting aside of all the other business of the House to deal with this matter of urgent and pressing necessity, then that is his responsibility.

Some hon. Members: Hear, hear!

Mr. MacEachen: Every hon. member who moves these motions must take that responsibility and must take the chance that he will see his actions terminate in the procedure that followed yesterday.

I may say, as hon. members know, that the use of Standing Order 43 in this way is a relatively recent development in the House of Commons. It came about as a result of changes to the Standing Orders which removed the debate, presumably a procedural debate, normally held on a question of urgency with regard to proceedings under another Standing Order. There was written into that particular Standing Order that the Speaker would make a ruling on the question of urgency, without hearing from any hon. member of the House. Then, of course, an escape was sought from that change in the Standing Orders and members began using Standing Order 43.

Now hon. members rise every day in the House in order to draw attention to public issues by using Standing Order 43, and they expect that members on this side of the House will place themselves in an unenviable position by refusing unanimous consent. In other words they wish to protect themselves from the results of their own actions and decisions. Yesterday the House gave unanimous consent to the hon. member for Winnipeg North Centre to put his motion, and the motion was put. Hon. members on this side of the House—

Mr. Clark: You were absolutely asleep.

Mr. MacEachen: —for reasons quite obvious decided to vote against that motion. We had the vote in the normal way and the motion was defeated. After hon. members found that they had lost the question period they came to us crying for special concessions.

Some hon. Members: Hear, hear!

Mr. MacEachen: I say we are quite prepared to follow scrupulously the Standing Orders as they now stand, and if hon. members use Standing Order 43 they have to take their chances.

[Mr. Baker (Grenville-Carleton).]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to support the position stated a few moments ago by the hon. member for Grenville-Carleton (Mr. Baker).

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): But before I get to the specific point raised by the House leader of the official opposition I should like to comment on some of the things just said by my hon. friend, the President of the Privy Council (Mr. MacEachen). I felt a certain sense of pleasure when he came back to this position because I have long had the notion that he is one member on the government side who has a bit of a feel for parliament. I did have that notion, but I think I am losing it. It is not like the President of the Privy Council to stand up today and say that members of the opposition in exercising their rights under a rule clearly provided in the book are abusing their rights.

Mr. Clark: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The interruptions from the other side are only holding up the hon. member for Verdun (Mr. Mackasey), but there is lots of time. There was a time, Mr. Speaker, when there was not a specific provision in the rules concerning when motions under Standing Order 43 would be put, and I think there was some abuse of that rule at that time. It was to correct that abuse that the Committee on Procedure and Organization made the changes which provide for a specific time when members can use that rule. I suggest it is not like the President of the Privy Council for him to say that those who avail themselves of a rule that has been worked out in recent months are showing a disregard for parliament.

• (1520)

Mrs. Holt: Who is showing disregard?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): All that my friends opposite are doing is to delay the time when the hon. member for Verdun will be able to get to his feet.

An hon. Member: Sit down then.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The procedural questions involved are unduly interesting this afternoon for some special reason which I find hard to understand. But, be that as it may, they are still straightforward procedural questions and I know there are some hon. members who want to make contributions to the discussion. So I invite all hon. members to make their contributions procedural and brief.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, although responses from hon. members in their seats answered another point that the minister sought to make, I think it

ing Order 15(2) than was given yesterday, but which does not involve a contradiction to yesterday's ruling.

My first point is this: while Standing Order 15(2) states that the House shall proceed to the "ordinary daily routine of proceedings" at 3 p.m., or noon as the case may be, it states with equal force that "not later than 2.15 p.m., or 11.15 a.m., as the case may be, oral questions shall be taken up." The time 3 p.m. was inserted for the protection of the government, and 2.15 p.m. for the protection of the opposition parties, under the operation of the rule. It is surely anomalous that the one figure should be given full and blind applicability in all circumstances while the other should be inconsequential in circumstances which may frequently arise.

My second point is that in a case of doubt it is possible for us to go beyond the wording of the rule provided appropriate recognized guidance exists. In the case to which I refer we have the words of the preamble to the second report of the Standing Committee on Procedure and Organization presented March 14, 1975, the report which introduced these rules. The preamble reads:

(5) It is the view of your committee that the first hour of each sitting should normally be devoted to oral questions. It is recognized that some members believe that there is a constructive purpose in retaining proceedings pursuant to Standing Order 43 at the beginning of a sitting. There is a consensus, however, that most routine proceedings ought to be taken up at a set time, but after oral questions. There is a consensus that statements by ministers and responses thereto ought to be limited. Your committee is of the view that questions of privilege and points of order raised during the oral question period, unless Mr. Speaker considers it to be a most grave matter, ought to be taken up after the oral question period.

I draw attention particularly to the words "but after oral questions". That paragraph really sets the framework for subsequent interpretation, indicating that our whole procedure has been framed around the question period as the central feature of the parliamentary day, and it is important we should consider the matter in that light. It is obvious from the records of the committee and in the context of the paragraph I have read that the word "normally" was inserted to show that the committee intended the question period to last approximately an hour, as was fast becoming the practice at the time, but that it recognized that proposed motions under Standing Order 43 would sometimes take a few minutes. It was clearly not the intention that anything should arise which would have the effect of totally cancelling the question period.

The reason for inserting a preamble was made clear by the hon. member for Kenora-Rainy River (Mr. Reid) who drafted the rules for the consideration of the committee. He said in the committee on March 4, 1975:

I think we understand what it is we want to do, but it may well be that other members and Mr. Speaker may not understand the intent. So we would want to draft a sort of preamble to the actual rules to make it quite clear what the intent is and the spirit in which the rules are to be interpreted.

There followed a brief exchange on March 10, 1975, which makes the spirit and intent clear:

MR. BLAKER: My understanding is that it is a time factor. It is 2.15 p.m., come what may.

To this, the chairman, now the hon. member for Eglinton (Mr. Sharp), replied, "Yes".

The whole intent and spirit of the rules was that there would be a question period from 2.15 at the latest, until 3.00 p.m., come what may. The preamble was part of the report which was concurred in unanimously and without debate by the House, and is therefore a guide, as was intended, to the interpretation of the draft Standing Orders presented at the same time. That committee, of which I was a member at the time, and am now, operated in good faith, and I hope this continues to be the case.

Therefore I suggest that the starting time of 2.15 or 11.15 is as inviolable as the 3.00 p.m or 12 noon finishing time. It seems to me that if we are to give both boundaries their proper place, then if a motion under Standing Order 43 is put to the House, any debate, or any division, must be deferred until after question period and routine proceedings.

I hope, Mr. Speaker, that you find this a reasonable and acceptable interpretation of the rule which the procedure committee recommended to the House, and I hope if there is any discussion other members of that committee will confirm the spirit of our deliberations.

Mr. Speaker: Order. This is, of course, a matter of serious concern. Before we hear from the President of the Privy Council (Mr. MacEachen) on the subject, I want to say at the outset that it was not proceedings pursuant to Standing Order 43 which displaced the question period, it was a vote.

● (1510)

It is certainly clear in my mind in any case that, had the matter been discussed rather than voted upon at once, the debate would have had to conclude at 2.15 because no proceedings pursuant to Standing Order 43 could pre-empt the 2.15 starting time. But against that interpretation is the fact that once the division bells ring, whether they ring at five to six or at five to ten at the hour of adjournment, they continue until the whips advance from the end of the Chamber. Nothing can pre-empt that either. This practice has been established many times. Therefore in the singular situation in which a motion pursuant to Standing Order 43 was not only put but was to be decided upon by a recorded division and the members were called in, then the 2.15 time limit could not have been adhered to, but had the matter been under debate at 2.15 it is clear that the debate would have stopped. The difficulty about getting it started again is one of some procedural interest, but there is no doubt in my mind that it would have stopped at 2.15.

Mr. MacEachen: Mr. Speaker, I have had no notice of the point of order raised by the hon. member who has just taken his place. It is a serious point of order, one on which you made a ruling yesterday, Mr. Speaker. I certainly believe the ruling was sound and is within the understanding of the Standing Orders. The hon. member talked about the difficulty in which the House finds itself. I think the difficulty is one created by members opposite themselves.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): You forced the vote, Allan.

view of the fact that Canadian National Railways has announced a decision to reduce staff across Newfoundland, which will not only reduce its ability to provide rail transportation, but is happening in spite of continual denials that this action would take place, would the minister cause an inquiry to be made into the reasons for this decision, which will be effective January 24, 1977, so that we can be informed as to the necessity for the action?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I will look into the question of statements that have been made and then contradicted by action. The question of Canadian National operations is, of course, largely for its management in a broad way, but I would be interested in having discussions with the province of Newfoundland and with other interested people on the whole question of transportation in Newfoundland both by rail and road. This is a vital issue in the province, one with which I am very much concerned.

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EXTERNAL AFFAIRS

REQUEST FOR CLARIFICATION OF POLICY ON SOUTH AFRICA

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Acting Prime Minister. In view of the fact that last week a motion under Standing Order 43 received the unanimous consent of this House in encouraging and supporting the Olympiad for the Disabled in their fund raising activities for the purpose of defraying the deficit encountered as a result of the government's withdrawal of promised funds because of South Africa's participation, I should like to ask the Acting Prime Minister whether he would clarify to the House his government's policy in respect of South Africa in view of these contradictory positions, including the fact that personnel of the Department of Industry, Trade and Commerce continue to operate out of that country?

Mr. Speaker: I am sure that the hon. member and others will realize that it would be inappropriate to try to get the minister to outline the general policy of the government during the question period. The question would have to be more specific.

Mr. Jelinek: Then, in order to make it simpler for the minister, Mr. Speaker, since contradictory positions have been taken by the government would the minister indicate to the House whether or not the government recognizes South Africa as a state in all cases, or whether it recognizes South Africa as a state in respect of industry, trade and commerce and does not recognize South Africa in respect of the Olympiad for the Disabled?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, the question of sporting contacts between Canada and South Africa is an extremely important one. It bears very directly upon the forthcoming Commonwealth games that we hope to host in Canada in 1978.

Mr. Paproski: In Edmonton.

Mr. MacEachen: In Edmonton, Canada, in 1978.

Mr. Paproski: Edmonton, Alberta.

Mr. MacEachen: Briefly stated, the government of Canada does not encourage but does not prohibit the exchange of athletes between Canada and South Africa. We do, however, attempt to discourage such contacts by withholding financial support for athletic contests either in Canada or in South Africa in which South African athletes participate. The purpose, of course, is to underline our opposition in this way to the policy of apartheid which is followed in these sporting contacts, which was raised in the case of the Olympiad for the Physically Disabled for purely cosmetic reasons.

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OLYMPIAD FOR THE DISABLED

GOVERNMENT ACTION TO SUPPORT

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, may I direct my final supplementary question to the Minister of State (Fitness and Amateur Sport). In view of the fact that this House now supports and encourages the fund raising program by the Olympiad for the Physically Disabled as a result of the Standing Order 43 motion which it passed, can the minister advise what specific and positive steps she intends to take on behalf of this worth-while cause?

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am quite sure that the hon. member and all hon. members of the House will be pleased to know that some $450,000 has been allocated to the disabled in this country for the development of sporting activities for them. So we are dealing with this in a very positive way.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to rise on a point of order with respect to the proceedings which took place in the House yesterday afternoon surrounding the motion under Standing Order 43 which was moved by the hon. member for Winnipeg North Centre (Mr. Knowles).

• (1500)

It has become clear that a number of members were taken by surprise in a number of ways and we have been left with a situation which potentially nullifies the assumption which is in the minds of all members of the House that the question period is a vital and indispensable part of our proceedings, and one with which no group in the House ought to be able to interfere. I assure Your Honour that I am not raising any question as to your ruling. Indeed, to do so would be improper. But I do suggest there is a way out of our difficulty though it requires a slightly different emphasis on the wording of Stand-

[*English*]

Mr. Lang: Mr. Speaker, I indicated that the final responsibility rests with the province and the municipality, and they have a committee at work on the question. We are prepared to co-operate with them in every way, particularly through the presence, not so much of governmental officials but representatives of Canadian National, assisting in the actual plans being developed. At the same time we have other work proceeding on the question of urban transit and commuter traffic particularly involving airports in the Montreal region, where we have a direct interest in our jurisdiction to see that airports are conveniently served. This work is ongoing and will lead to results from time to time.

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HARBOURS

CHURCHILL—APPOINTMENT OF RESIDENT PORT MANAGER

Mr. Cecil Smith (Churchill): Mr. Speaker, I have a question for the Minister of Transport. Grain shipments through the port of Churchill have set an all time record with the movement of 28.4 million bushels of wheat and barley this past year. I must say little of the credit for that goes to the minister as he tried to scuttle the complete operation. I now ask the minister what action is being taken to ensure that a full time resident port manager will be named for the port of Churchill so as to guarantee that the maximum percentage capacity of this port is used in the handling of as much as 40 million bushels of grain within its 88 day shipping season?

Hon. Otto E. Lang (Minister of Transport): Well, Mr. Speaker, the search is on for the appropriate manager. I thank the hon. member for referring to the fact that a record was set, as I had predicted when earlier in the year he suggested that my efforts to help the port would be inadequate.

Mr. Horner: The record was set in spite of you, not because of you.

Mr. Smith (Churchill): A supplementary question, Mr. Speaker. Following the advertisement for a port manager there were 17 applicants. Three were interviewed; none was successful. When will the minister be appointing a port manager now?

Mr. Lang: When we are assured, Mr. Speaker, that we have a good port manager. On the last occasion when the hon. member expressed his silly concern about the port we found a manager who within a very short time got the situation in hand, and we appointed a chairman to the port commission who also did a good job. In that way we have taken those steps that ensured this good year for Churchill, and we will continue to do so.

CANADIAN BROADCASTING CORPORATION

POSITION OF CORPORATION ON RENEWAL OF CONTRACT OF MRS. LISE PAYETTE AFTER QUEBEC ELECTION

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State which is supplementary to that asked earlier by the hon. member for Bonaventure. I was not clear from the answer of the Secretary of State whether the Secretary of State was conveying to the House of Commons the position of the president of the Canadian Broadcasting Corporation or whether he was expressing the view of the government as to the action that should be taken in this matter. Is it the position of the president of the Canadian Broadcasting Corporation that the position stated by the Secretary of State should be followed?

Hon. John Roberts (Secretary of State): Mr. Speaker, I thank the Leader of the Opposition for putting the question in those clear terms. I was reporting to the House information that I have received from the Canadian Broadcasting Corporation.

* * *

INDIAN AFFAIRS

EFFECT OF SALE OF TIMBER LAND TO REED PAPER ON NATIVES AND PROPOSED PARK IN ENGLISH-WABIGOON RIVER AREA

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask a question of the Minister of Indian Affairs and Northern Development. In view of the proposed sale of 19,000 square miles of Ontario timber to Reed Paper, what steps is the minister taking to protect the way of life of the indigenous population by using federal legislation such as the Clean Water Act and other environmental national acts to prevent abuses by the Reed Paper Company similar to those of the past? What are the implications of the Bernier-Reid memorandum for the development of, "Mercury Polluted Park" in the English-Wabigoon river watershed, as proposed by the former Minister of Indian Affairs and Northern Development? Is it still being considered?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would have to examine the statutes referred to by the hon. member to see whether they will give us any leverage or enable us to take action to prevent some of the things that might take place. Respecting the proposed national park, that is still in the works and is being examined closely.

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CANADIAN NATIONAL RAILWAYS

REDUCTION OF STAFF AND SERVICE IN NEWFOUNDLAND—REQUEST FOR INVESTIGATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Transport. In

Mr. Forrestall: Then, in God's name do not wait until next January when people on fixed incomes have to go through the cold winter months. Will the minister at least not agree there is no reason, as pointed out by the distinguished member for Halifax, why this decision cannot be taken on the request from the province of Nova Scotia prior to the end of this year? Can it not be taken within the next two to three weeks?

Mr. Gillespie: Mr. Speaker, I ask the hon. member to reconsider some aspects of the situation. I ask him to reconsider the assistance that has been given already to the citizens of this province, as well as the equalization grants in particular which were made necessary as a result of the situation. I also ask him to urge the government of Nova Scotia to introduce measures of conservation.

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THE CANADIAN ECONOMY

TASK FORCE ON MEASURES TO CONTROL FOREIGN EXCHANGE—REQUEST FOR REPORT

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I had hoped to welcome the Prime Minister back from his trip across the Pacific. In his absence, I will direct my question to the Acting Prime Minister. Has he yet received a report from the so-called task force that went across the Atlantic Ocean to study procedures implemented by some European governments designed to block the outflow of domestic currency by imposing controls on foreign exchange?

Hon. Allan J. MacEachen (Acting Prime Minister): No, Mr. Speaker, I have not received any such report.

* * *

● (1450)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

INQUIRY IF MRS. LISE PAYETTE'S CONTRACT WILL BE RENEWED FOLLOWING QUEBEC ELECTION

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I should like to put a question to the Secretary of State.

Last Friday, I asked him a question hoping to find out what the CBC would do with regard to Mrs. Lise Payette after the Quebec election of November 15. According to the reply of the minister on that day, it seems clear he did not understand my question. In light of the details given since especially the very words of the statement made by Mrs. Payette last Friday, and I quote her from memory: "As of this morning, I consider myself a Quebecer separated from Canada", could the minister tell the House whether the CBC will renew its contract with Mrs. Lise Payette, that anti-Canadian, after next November 15?

[Mr. Gillespie.]

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, when the hon. member asked his question last week, I understood he was asking me to conduct an investigation which I was not prepared to do. Of course, as he knows from listening to the reply made by my parliamentary secretary in the House last night, I am informed that because of the provisions in the Broadcasting Act, which places a mandate on Radio Canada and the CBC to strengthen national unity within this country, it is extremely unlikely that the CBC would envisage the re-employment of Mrs. Lise Payette in the circumstance that she is defeated in the election and wished to return to Radio Canada.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

REQUEST THAT COMMUTER FARES NOT BE INCREASED AND SERVICE IMPROVED

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Transport.

As the CN has decided to increase the rates on its commuter trains by 25 per cent in the Montreal region as of January 1 next, and as we have received numerous complaints from our constitutents in this regard, my question is as follows: Does the minister intend to meet the officials of the CN to discuss this matter in the hope that they might accept to postpone or at least reduce the planned increase until such time as the situation has been reviewed one more?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I gather that the hon. member will have missed the announcement a couple of days ago by my parliamentary secretary and my colleague, the Solicitor General, at a public meeting in the province of Quebec to the effect that I had written to the president of Canadian National Railways asking him, pursuant to a request by Mr. Mailloux of the government of Quebec, to postpone the envisaged rate increase at least until July 1, 1977 so that the province will have time to have its committee work go forward and put in place a plan for commuter service in the Montreal region, which as the hon. member knows we see as being primarily a provincial and municipal responsibility.

[*Translation*]

Mr. Wagner: Mr. Speaker, on a supplementary. What is important, naturally, is not so much the letters as the acts. I therefore ask the minister whether he intends to meet the municipal authorities of Metropolitan Montreal in the near future to discuss with them what means should be taken to improve the public transport system without penalizing the consumers too much for such improvements?

● (1440)

TRANSPORT

FERRY SERVICE BETWEEN YARMOUTH, N.S. AND PORTLAND, MAINE—DISCONTINUANCE OF CARRIAGE OF HEAVY TRUCKS

Miss Coline Campbell (South Western Nova): Mr. Speaker, my question is for the Minister of Transport. Is the minister able to tell the House whether he is aware that as of November 1, 1976 a very serious and grave situation will exist in that the Lyon Ferry Company will no longer carry heavy trucks between Yarmouth and Portland, Maine? If so, is he in a position to tell the House whether alternative arrangements will be made to ensure the continuation of this vital economic link to the southern end of the province?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have been very much aware of the proposed discontinuance of this service. We have been holding discussions with the province of Nova Scotia and with the Canadian National Railway concerning the possibility of an alternative service being put in place. There have been certain complications in relation to the rights and position of the existing operator. Those have delayed the positive announcement of alternative service, but I am optimistic this will be possible very shortly.

POSSIBILITY OF SUBSIDIZING FERRY SERVICE BETWEEN YARMOUTH, N.S. AND PORTLAND, MAINE

Mr. Jack Horner (Crowfoot): Mr. Speaker, I wish to ask the minister a supplementary question. Has the government offered to subsidize a portion of the cost of operating the Lyon service between Portland and Yarmouth?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it is largely our view that this is not necessary and that the service can in fact be operated on a self-sustaining basis.

Some hon. Members: Oh, oh!

Mr. Lang: A good part of our discussion with the province has been with regard to the question of the nature of service that could be self-sustaining. We have found in the past that where we put in large subsidies, a great deal of misuse of service occurred.

* * *

EXTERNAL AFFAIRS

REQUEST FOR LIST OF CANADIANS HELD IN MEXICAN JAILS—SUGGESTED PROTEST AGAINST CONDITIONS UNDER WHICH PERSONS HELD

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I wish to ask the House leader a serious question in light of the fact that he was the Secretary of State for External Affairs. As the government, through the appropriate ministers, is responsible for justice for all citizens not only in Canada but elsewhere, will the minister make suggestions to the present Secretary of State for External Affairs to provide a list of Canadian prisoners held in Mexican jails and what charges, if any, are pending; what they are subjected to while awaiting trial or release? Will he recommend on a high level an investigation and supply this information to the House for the protection of Canadian citizens, a number of whom create a large tourist trade for the nation of Mexico?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I think it will be possible through the Canadian embassy in Mexico to provide the hon. member with the names of persons who may presently be detained in Mexico and the state of their detention or forthcoming trial. I believe that information is usually gathered by the embassy and can be made available.

Mr. Woolliams: I thank the minister. I would also ask the minister to suggest that the present Secretary of State for External Affairs through the appropriate ambassador or official, and in the strongest terms if necessary, object to the conditions which Canadians, whether charged with proper charges or phony charges, are being subjected to while incarcerated in Mexican jails, which I have seen personally.

Mr. MacEachen: Mr. Speaker, I understand the hon. member's concern in this regard. Last week, in replying to a question from him, I expressed similar concern and our difficulty as Canadians in understanding why these long delays take place. In so far as I am aware, Canadian citizens are treated in this respect in exactly the same way as citizens of Mexico. In other words, it is a uniform law and practice that is applied in Mexico. Travellers from Canada to that country, particularly young travellers, are warned against the possible effects if they are found with drugs, which is a very serious offence under Mexican law. Notwithstanding the fact that it is the application of Mexican practice and Mexican law that results in these situations, I still think it is appropriate for us to express concern at these long delays in rendering decisions.

* * *

ENERGY

GOVERNMENT POSITION ON SUBSIDIZING ELECTRICAL COSTS IN NOVA SCOTIA

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct my question to the Minister of Energy, Mines and Resources. I will have a supplementary as well. Does the minister agree with the comments made by the President of the Privy Council in his capacity of Acting Prime Minister that in fact the door is still open to a favourable decision with regard to the request for an interim power subsidy and assistance for the province of Nova Scotia?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member had been following my comments over the past several weeks, in particular answers to questions put in this House, he would not have to ask me that question. I made it very clear that in fact that is the situation.

ly does not seem to be in the best interests of the Canadian taxpayer.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Imagine that government doing anything which might assist the United States! It is so contrary to their basic principles as to be shocking! I wonder whether the minister, representing a western constituency—

An hon. Member: Not any more!

Mr. Diefenbaker: —indeed, he belonging to a party which is rapidly following the buffaloes to extinction, would he once and for all think about Canadians and realize that the effect of any such increase would fall heavily across the country, and particularly upon the western farmer? Can he not stand up for the Canadian farmer and for westerners as a whole rather than some other nation.

Mr. Lang: I am surprised to find that right hon. gentleman apparently confirming the view, which was apparent in his earlier question, that it is right to subsidize the passage of American goods through the seaway. I think that is quite wrong. I have no problem as a Canadian, and as a westerner, about saying that such a course does not make a great deal of sense. He has repeated his comments about the political problems one might encounter in the west. His record in predicting my demise over the past years is so bad that it must be compared with his comments about my being able to speak for the west. I can, and do speak for the west.

Some hon. Members: Hear, hear!

Mr. Lang: I am quite prepared to speak to the west about the fact that a transfer of the deficit to the taxpayers is not a very good way of going about operating a number of things in this country. A lower tax burden is important to all of us, as is the spending of tax dollars on a transportation system in the most effective way. I say to the right hon. gentleman that the patchwork of subsidies which in weakness his government used to maintain and support is nothing but a producer of ineffective transportation and has proved a costly waste of billions of dollars of the taxpayers' money.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There are none so blind as those who cannot see. I say to the minister—

Some hon. Members: Question!

Mr. Diefenbaker: Having regard to the fact that his views are contrary to those of the Canadian Council of Agriculture and of the Canadian Chamber of Commerce, I ask the minister whether I am not justified in the prophecy that after the next election he will not be back?

Mr. Lang: That prophecy has been made by the right hon. gentleman several times before concerning past elections and it will go the same way as the previous ones did, bearing in mind the support which he knows I have and which made him so fearful a few years ago when he thought our constituencies were to be joined. However, I do understand the position taken by users of the service. They always prefer, with regard to the particular use of a particular service, that it should continue to be supported by the taxpayer. The point is, though, that Canadians taken together can understand that, by and large, it is better to have a system under which the taxpayer does not bear that burden with a resultant excessive expenditure on transportation above what is in the interest of this country. We have to organize transportation, it being so important to the west, in a way which makes best use of the dollars spent upon it, and that is our intention.

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INDIAN AFFAIRS

EFFECT ON NATIVE POPULATION OF GRANTING OF TIMBER RIGHTS TO REED PAPER—GOVERNMENT ACTION

Mr. Cyril Symes (Sault Ste. Marie): In view of the record of the Reed Paper Company in poisoning the waters of the English-Wabigoon River system with mercury and destroying the livelihood of native people in the area, and in view of the memorandum of understanding between this same company and the Ontario government giving Reed Paper timber rights to some 19,000 square miles encompassing at least seven major Indian reserves, will the minister state unequivocably that the federal government will do all in its power to nullify the proposed agreement if, in the opinion of the native people concerned, their treaty rights, health and native economy will be jeopardized by the granting of further timber rights to this company?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): If there is any infringement of the rights or treaties of the native people we shall be glad to help them and, if necessary, to provide them with legal assistance.

Mr. Symes: Has the minister made representations to the government of Ontario expressing the concern felt by the native people of the area? Will he tell us the amount of financial support which those people can expect in presenting their case?

Mr. Allmand: I have not made representations myself to the government of Ontario but my predecessor did. He met with one of the Ontario ministers during the summer just prior to my appointment. I cannot tell the hon. member what amount of money we would be prepared to give these Indians to put forward their case but we do have a policy of providing funds and assistance in circumstances such as these.

give assurance that the unfair discount of six cents will not be exceeded?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, since the agreement concerning the six cents was renegotiated with Australia and New Zealand, no evidence has been presented to me to show that meat from those countries has been sold in Canada outside of that agreement. Previous to that agreement it had been sold in Canada for as much as 31 cents per pound less than it was selling in the United States. I believe the facts will show that. No evidence has been presented to me to show that Australia and New Zealand have broken the agreement from the standpoint of price. New negotiations will take place; I hope the result will be that meat shipped to Canada will be sold at a price no different from that of meat shipped to the United States under the quota system which has been imposed or, I should say, under the supply-management system imposed by the President of the United States.

* * *

[*Translation*]

SPORTS

REASON FOR MINISTER MEETING PROVINCIAL MINISTERS—SUGGESTION DEPARTMENT FAVOUR TRAINING OF GYMNASTS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of State for Fitness and Amateur Sport.

To a question I had asked of the minister last week, she answered that she would tour the country to meet her provincial counterparts. Would she be prepared to reveal today in the House what is the actual objective for this tour and those meetings with her provincial colleagues?

[*English*]

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I anticipate the meetings commencing in December, at which time I will be happy to provide the hon. member with an agenda.

[*Translation*]

Mr. La Salle: A supplementary question, Mr. Speaker.

In light of the pronounced interest shown a few months ago by the Minister of National Health and Welfare (Mr. Lalonde) in Canadian football, and in light of the problems the gymnasts anxious to master this form of sport are facing now, does the minister intend to make a proposition to the provinces to meet this need properly?

● (1430)

[*English*]

Mrs. Campagnolo: I shall be very interested in the needs of athletes all across the country, but at this time I do not have a complete list of the specific areas I shall be dealing with. I would welcome input from the hon. member on this subject.

HEALTH

SWINE INFLUENZA—REPORT OF ADVISORY COMMITTEE—REASON FOR DELAY OF MASS IMMUNIZATION PROGRAM

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of National Health and Welfare, or the acting minister, whether a report has been received from the national advisory committee on immunization with regard to swine influenza, and, in particular, any advice concerning changes in the mass immunization program for Canada and the reason for any further delay in mass immunization?

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the minister is away due to the death of his mother. He has not received a report as yet but we expect a report later this week. We are very disturbed by the CBC report which was entirely false. The advisory committee on immunizing agents has put out a press release making it clear that this information was premature and false and indicating that its suggestions will be very much in line with those made at the two previous committee meetings.

* * *

TRANSPORT

POSSIBILITY OF INCREASE IN TOLLS ON WELLAND CANAL—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Transport. It has to do with the threat made about a year ago by the minister and also by the President of the St. Lawrence Seaway Authority that the government of Canada could determine unilaterally whether to increase the tolls on passage through the Welland Canal. Having found out now that this cannot be done unilaterally, according to the legal opinion given by the law officers of the Crown, could the minister now assure the House and the country that there will be no increase in tolls, such an increase having been condemned by the Canadian Council of Agriculture and also by the Canadian Chamber of Commerce.

Hon. Otto E. Lang (Minister of Transport): It is clear that any action would first require consultation with the United States, something we would have wished in any case and which we always intended. Some time would therefore elapse before any action followed. It is a fact, however, that receipts from tolls no longer cover operating and maintenance costs. It does seem important to the government as a matter of policy that a higher proportion of the charges involved, and the real cost of operating the seaway, be borne by those moving goods through the seaway rather than by the taxpayer. The fact is that a higher proportion of benefit falls upon Americans using the seaway and, this being so, the Canadian taxpayer is in effect being asked by the right hon. gentleman to continue subsidizing American goods moving through the seaway. This certain-

porridge. I indicated to him that the neighbourhood improvement program and the RAP program were in fact now being instituted, and the hon. member seemed to be unfamiliar with them. When asked questions about the NIP program and the RAP program all he could say in response was that we should spend more money in that area. He did not indicate to what extent tax deductions should be made; he did not indicate to what extent the government should carry the deficit and he did not indicate to what extent the government would be forced to go into the market to borrow money. This, of course, would push up interest rates and if I can believe the hon. member and his party they would like interest rates to come down. Increasing government borrowing is going to push up interest rates. I thought it was the height of irresponsibility, not knowing the figures or the amount of money he was talking about, to suggest the government should lower taxes and in that way increase the amount of the deficit and increase the borrowing that the government would have to do.

Mr. Broadbent: A final supplementary, Mr. Speaker. Would it be correct to infer from that modestly stated answer of the minister that the government has no intention in the next few months of increasing the supply of housing to provide homes and jobs or of reducing taxes for average and low income people as two sensible proposals or two methods of reducing the level of unemployment?

Mr. Cullen: I can see the headlines now, Mr. Speaker. That is the way the hon. member will probably interpret my answer. In point of fact, when I listen to my colleague, the Minister of State for Urban Affairs, I know we have met every goal and every standard set for us by the Economic Council of Canada. We set record rates in the building of homes. This is, after all, important and until this government took power no other government had introduced low-cost housing for senior citizens.

* * *

[*Translation*]

AGRICULTURE

DAIRYING—SUGGESTION NEW QUOTAS BE OBTAINABLE WITHOUT CHARGE

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Agriculture.

The most recent information bulletin released by the department to announce the adjustments in the 1976-77 dairy program states in part:

No transfer of the new quotas will be allowed between producers before April 1978.

Is the minister aware that the Federation of Dairy Producers is sending out forms urging previously penalized farmers to buy new quotas of 37 cents a pound of fat?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the forms are the same ones about which I have been informed, the local marketing boards are sending them out. I do not believe the Canadian Dairy Commission is.

[*Translation*]

Mr. Gauthier (Roberval): I have a supplementary question, Mr. Speaker.

Should the minister discover that these allegations are true, will he make sure that penalized producers obtain their new quotas without having to pay an overcharge?

[*English*]

Mr. Whelan: Mr. Speaker, the Canadian Dairy Commission does not put a value on quotas. Local, provincial marketing boards puts a value on quotas, although some of them do not. The province of Manitoba, for instance, puts no value on quotas; the province of Ontario puts a limited value on quotas. Personally, I think no value should be put on quotas.

REQUEST FOR ASSURANCE BEEF QUOTAS APPLICABLE ONLY TO MEAT IN TRANSIT TO CANADA ON OCTOBER 17

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I direct a further question to the Minister of Agriculture relating to last week's news release announcing the Canadian beef counterquota on all imports, of 17.5 million pounds, for the balance of this year. In that release the following statement appears: products bona fide in transit as of midnight, October 17, 1976, will be permitted entry up to the limit of individual country allotments. Does the term "bona fide in transit" mean ships in the process of loading, as was the case after the "six cent under" rule was announced last June? In other words, can the minister give assurance that only loaded ships on the high seas, ships originally destined for Canada and not diverted ships, will be allowed to unload at Canadian ports?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it means what it says. Bona fide orders would be accepted. No ships destined, say, for the United States could be diverted to Canada. They could not be; it takes time to make sure that orders are bona fide and were confirmed before the government's regulation was put in place. We want to make sure, if any meat is shipped to Canada, that only the allotted amount goes on the market. Any excess over that amount must be held in bonded warehouses. We also say in that same release that it must be released in an orderly fashion. These topics are still being discussed with both New Zealand and Australian officials.

BEEF—APPLICABILITY OF SIX CENTS UNDER AGREEMENT TO MEAT ENTERING ON QUOTA

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, may I ask a supplementary question relating to the application of the "six cent under" agreement? Since imports from down under up to now have not been in accordance with this agreement, may I ask, with respect to imports entering Canada from Australia and New Zealand under this new quota, does the "six cent under" agreement still apply, and will the minister

ti, during the period from December, 1971 to September, 1976 when the project went into receivership, can the minister explain to the House how Central Mortgage and Housing Corporation for two years during that period seemed to be placed in the position of a second mortgagee? Can the minister assure the House that mortgage funds for this project were not used for any other purpose other than those for which they were intended?

Hon. Barney Danson (Minister of State for Urban Affairs): This is the very case, as I understand it, for which the Hamilton *Spectator* has already apologized. Court action is taking place. If there are any irregularities, certainly I want to be the first to know about them, and I will check into this. However, I can give the hon. member no assurances at this time, particularly as the matter is before the courts.

Mr. McGrath: My question is based on an article in today's Hamilton *Spectator*, which is not the subject of any court proceedings. In today's Hamilton *Spectator* there are very serious questions of impropriety raised. Would the Minister of State for Urban Affairs, who has the responsibility here, order a public inquiry?

Mr. Danson: I think my hon. friend knows I cannot go by the statement in this morning's newspaper. Certainly, I will look at the allegations made and make any necessary inquiries. As I am sure my hon. friend realizes, we certainly look for any discrepancies or anything which is out of order, and I would be the first one to want to find out.

LIMITED DIVIDEND PROJECTS—MEASURES TO ENSURE MORTGAGE MONEY USED FOR PURPOSE INTENDED

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is for the same minister. In view of the fact that section 15 of the National Housing Act, dealing with limited dividend housing, lends itself to abuse, would the minister indicate what safeguards he has in force to ensure that federal mortgage money is directed toward the purposes for which it is intended?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, there are agreements under section 15, to which the hon. member is referring, and we go to great lengths to see that those agreements are in keeping with the spirit of the Act to begin with, and also to see that they are maintained within the letter of the law.

* * *

CENTRAL MORTGAGE AND HOUSING CORPORATION

POSSIBILITY INSPECTORS IN CONFLICT OF INTEREST POSITION

Mr. Dean Whiteway (Selkirk): Since CMHC inspectors are the eyes and ears of the minister's department, what precautions does the minister plan to take to ensure that inspectors are not placed in positions of conflict of interest?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, first of all they are very good eyes and ears, and I am not aware of any situations in which there are conflicts of interest. Those situations are checked at all times, and if there is even a suggestion of a conflict of interest, I wish the hon. member would speak to me privately, and I will look into it.

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO REDUCE LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In rejecting the proposal put forward yesterday that 3 per cent be regarded as constituting virtually full employment the minister sarcastically said that for the government no such 3 per cent would be permitted and that the government wants full employment, presumably down to zero per cent. Oddly enough, that comes from a government which has allowed 7 per cent unemployment for over 18 months.

I would like to ask the minister why he will not submit to the House specific measures to bring down unemployment even to the 3 per cent level, over perhaps the next four year period.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, when we are talking about the unemployed, we are talking about people, not chattels, and percentages are not particularly effective.

● (1420)

REASON FOR REJECTING CERTAIN PROPOSALS TO REDUCE LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister continues to assume that sarcasm constitutes an adequate answer in the House. Would he also explain to the House why he summarily dismissed two practical proposals to increase the supply of low cost housing and a tax reduction for low and medium income people, two important steps to deal with unemployment, describing them as cold porridge when the government will not offer any porridge at all before 1977? Why does he reject these practical proposals out of hand?

Hon. Jack Cullen (Minister of Manpower and Immigration): Once again, Mr. Speaker, sometimes the questions asked by the hon. member warrant nothing more than sarcasm but this is a legitimate question that deserves a more serious answer.

Some hon. Members: Oh, oh!

Mr. Cullen: I did not say that it was cold porridge. I said most of the things I read in the report presented by the hon. member on behalf of his party seemed to me like warmed over

eventually eliminate rail service in that province but also reflects misleading answers given to questions asked of responsible officials in that they denied such action would take place.

I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Ministry of Transport issue an order that a stay be placed on reduction of staff and that an investigation be made into CN's future activities in the province of Newfoundland.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ANTI-INFLATION PROGRAM

PROPOSED PROTEST AGAINST BRITISH COLUMBIA'S RETROACTIVE LEGISLATION—MOTION UNDER S.O. 43

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, pursuant to Standing Order 43 I rise on a matter of urgent and pressing necessity. Considering that the government of British Columbia on June 23, 1976, brought in enabling legislation to have teachers and other public employees brought under the federal Anti-Inflation Board guidelines, and considering that the enabling legislation was retroactive to October 14, 1975, a period of nine months, I move, seconded by the hon. member for Vancouver East (Mr. Lee):

That this House express strong dissatisfaction with retroactive legislation as expressed in Bill 16, province of British Columbia.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. A motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

REQUEST FOR EARLY DECISIONS ON AID TO ATLANTIC PROVINCES TO REDUCE COST OF ELECTRICITY—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, since I would like some understanding of what I am going to say I will wait until the noise subsides.

Pursuant to the usual Standing Order, I rise on a matter of urgent and pressing importance, particularly to the people in Nova Scotia and Prince Edward Island but also of some national importance. Comments by the Acting Prime Minister—I believe he is still Acting Prime Minister—the President of the Privy Council, quoted in the press last weekend would indicate a more positive attitude toward energy cost subventions for the two provinces of Nova Scotia and Prince Edward Island. While indicating a more positive attitude on the part of the federal government, they suggest clearly that no decision will likely be taken until the end of this year. Because of the undue hardship which such a delay in the decision-taking will cause for those on low and fixed incomes, I move, seconded by the hon. member for South Shore (Mr. Crouse):

That this House urge the government to arrive at its decision, at least in principle, prior to the middle of next month, November 15 of the current year.

Mr. Speaker: Under the provisions of Standing Order 43 the unanimous consent of the House is required for the presentation of such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

HOUSING

HAMILTON—ALLEGED CONFLICT OF INTEREST IN AWARDING MORTGAGE FOR LIMITED DIVIDEND PROJECT

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Is the minister aware of an article which appears in today's edition of the Hamilton *Spectator* in which a former aide of the Minister of Labour admits intervening in a mortgage application under the limited dividend provisions of the act involving a former law partner of the Minister of Labour, and if so, what steps did the minister take to determine the impact of this conflict of interest on the awarding of the mortgage, since two other applications for the same area were turned down?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I have not seen this morning's Hamilton *Spectator* yet, but I understand that this is a matter which is before the courts. I understand the Hamilton *Spectator* printed an apology, but there is court action upon which I cannot comment.

HAMILTON—REQUEST FOR ASSURANCE MORTGAGE MONEY FOR LIMITED DIVIDEND PROJECT NOT USED FOR OTHER PURPOSES

Mr. James A. McGrath (St. John's East): I have sent the clipping over to the minister. I can assure him that this question is asked notwithstanding any court action with regard to any previous stories. I am talking about a story which appeared today.

In view of the fact that almost $6 million of federal mortgage funds were advanced to the developer, Dominic Morgan-

HOUSE OF COMMONS

Wednesday, October 27, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ANTI-INFLATION BOARD

EFFECT ON ECONOMY OF YUKON OF DECISION ON WAGES OF MINERS AT CYPRUS-ANVIL MINE—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the critical economic situation in the Yukon resulting from the shutdown of the Cyprus-Anvil Mine at Faro, and in view of the fact that the shutdown is a result of the AIB administrator Donald Tansley rolling back the decision of AIB from 14 per cent to 8 per cent, and in view of the fact that the shutdown is having disastrous effects on the economy of the Yukon, I move, seconded by the hon. member for the Yukon (Mr. Nielsen):

That the Minister of Indian Affairs and Northern Development take immediate steps through consultations with the Minister of Finance and representatives of the Yukon legislative assembly to resolve the problem.

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

Some hon. Members: No.

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THE CANADIAN ECONOMY

REQUEST FOR MEASURES TO DEAL WITH UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I too, rise under the provisions of Standing Order 43. I should like to move, seconded by the hon. member for Winnipeg North Centre who had such remarkable success yesterday, the following motion.

Some hon. Members: No.

Mr. Broadbent: Listen, fellows, before you say no.

That this House welcomes the return of the Prime Minister from Japan—

Some hon. Members: No, no.

Mr. Broadbent:

—and urges him and his government to introduce, on a priority basis, legislation to deal with the urgent problem of unemployment which Wood-Gundy has just forecast will average 8.1 per cent in 1977.

Mr. Speaker: Order, please. The provisions of Standing Order 43 requires the unanimous consent of the House.

Some hon. Members: No.

* * *

[*Translation*]

HOUSING

REQUEST THAT INTEREST ON MORTGAGES FOR SINGLE FAMILY DWELLINGS BE REDUCED—MOTION UNDER S.O. 43

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, pursuant to Standing Order 43, I rise on a matter of urgent and pressing necessity.

Considering that current interest rates on the purchase of single family dwellings discourage any prospective buyer who is aware of the total amount—interest and capital combined—he would have to repay over 30 or 40 years and that the combined capital and interest to be repaid each month is an amount the average Canadian worker cannot afford, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That the House deal as early as possible with this most important issue of financing single family home construction, to turn what is now a luxury into a commodity within the reach of all Canadians concerned in this motion.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

* * *

• (1410)

[*English*]

CANADIAN NATIONAL RAILWAYS

SUGGESTED INVESTIGATION OF STAFF REDUCTIONS AND FUTURE PLANS OF COMPANY IN NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my motion under Standing Order 43 reads as follows. The announced reduction of CN staff in the province of Newfoundland is not only evidence of CN determination to

I have heard of turning the other cheek and was also taught to love my enemies, but I was not taught to provide the knife with which my enemy would cut my throat. The approach to publicly financed broadcasting in Canada must be re-evaluated in the light of the vastly improved communications facilities in this country.

If the Canadian Broadcasting Corporation is to remain free of interference at the federal political level, it must be equally free of union interference and of political party interference by infiltration. I suggest that henceforth publicly financed television and radio broadcasting that uses in excess of $400 million of taxpayers' moneys each year restrict itself to cultural and educational programming, plus factual news reporting only. Otherwise the price will be freedom of the majority.

Mr. Jacques Guilbault (Parliamentary Secretary to the Secretary of State): Mr. Speaker, the hon. member has dealt with many matters with which I would not have time to deal before the adjournment. Let me try to deal with the hottest ones, for example, the case of Lise Payette who is a candidate in the Quebec provincial election. I am informed that according to CBC program policy when broadcast personalities capture nominations as candidates in an election they are obliged to withdraw immediately from the programs of the corporation. Pursuant to this policy the contract with Lise Payette has been terminated and the program has been cancelled. Now, what if Lise Payette is not elected? In this case I am informed that, given the mandate of the CBC which is to promote national unity and reinforce the Canadian cultural fabric as espoused in the broadcasting act, it would be difficult to envisage the possible return of Lise Payette to CBC employment.

With regard to Lloyd Robertson it may be that one of the reasons he left the CBC is that as a CBC announcer he wanted to be able to gather news and was unable to do so because news gathering is within the jurisdiction of the CBC newsmen's union. Questions of union jurisdiction as between announcers and newsmen in the CBC have nothing to do, however, with questions of freedom of information.

So far as the question of the use of pre-recorded announcements by Premier Bourassa is concerned, I think this has been put in proper context by a reply of CBC President Johnson to Mr. Ben Payer, President of the Liberal Party in Quebec. In his reply Mr. Johnson pointed out the full responsibility for its program content assumed by the CBC under the provisions of the Broadcasting Act, and the fact that accordingly the CBC must exercise editorial judgment to the best of its ability and with complete freedom. He added that in his opinion broadcasting organizations retained the prerogative to make use of such a recorded message or not to do so, or to present it in whole or in part in accordance with their editorial evaluation. The CBC's language networks each broadcast a short extract from Premier Bourassa's message, while the French network declined to do so, nevertheless presenting all the essential details of this important event. Thus each network simply exercised freely its prerogative and journalistic responsibilities without any constraints or external influences.

[*Translation*]

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

Motion agreed to and the House adjourned at 10.30 p.m.

additional 200 employees at the Sydney Steel Corporation. As the minister mentioned yesterday, the announcement of this lay-off came at a time when all available funds have been allocated to the 264 constituencies. It will be readily understood that program funds, as initially allocated, are currently being committed and the figure earmarked for each constituency cannot be adjusted.

I can well understand the plight of the workers affected by the current lay-off at the Sydney Steel Corporation. The employment situation has suffered sudden and severe deterioration in several other areas of the country as well. It is hoped that these problems will be somewhat alleviated in the near future by the re-allocation of those funds which will remain unutilized once the current LIP assessment-approval phase is completed.

It should be noted, for the time being, that $379,000 has been allocated to the constituency of Cape Breton-East Richmond under the 1976-77 program, and these funds will be committed to projects which will in the very near future create jobs in the constituency.

The hon. member alleges a 65 per cent discrepancy. Although different sources can produce different estimates, the minister very much doubts that his figures can be accurately compared with the ones used in the formula across Canada. If he will supply the figures he uses, along with a clear statement of the time period and the geographic area they will cover, I will ask the department's statisticians to review them and analyse any differences. Should the figures of the department's estimates used for the allocation prove to be wrong, they will, of course, be changed.

May I point out, Mr. Speaker, that although the formula used in the distribution of funds by constituency has its limitations, it is the best we have been able to devise. Each year efforts are made to render it more objective and accurate. This year the weighing factor and the ruling that no constituency would receive less than one third of last year's allocation were introduced to this end. If the estimates of unemployment were made on some other basis, the results would no doubt be different from place to place. No change in the methodology for estimating unemployment could, however, change the total amount of money available for distribution. We cannot use one system of measurement here and another system there. What we have done is to use the best estimates, consistently across provinces and constituencies, in order to produce the fairest and most accurate set of results that we can.

CANADIAN BROADCASTING CORPORATION—ALLEGATION OF BIAS IN PROGRAMMING—SUGGESTED INVESTIGATION

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, on Thursday of last week I proposed the following motion:

> That the government cause to be brought immediately before the Standing Committee on Broadcasting, Films and Assistance to the Arts, the responsible officers of the Canadian Broadcasting Corporation for the purpose of explaining the circumstances leading to the recent affront to the premier of the province of Quebec, the response of the officers to that action and the intentions of Radio Canada to prevent similar future interference with free communication in publicly financed television programming.

[Mr. Portelance.]

I followed this up with a question to the Secretary of State (Mr. Roberts). I asked:

> Is the minister aware of the often expressed criticism of bias in the programming of the publicly financed Canadian Broadcasting Corporation? Has he investigated the veracity of one of the reasons given by Lloyd Robertson for his recent resignation, and how does he reconcile this with this week's well publicised action of Radio Canada in Quebec?

The answer of the Secretary of State suggested that he did not understand the basic thrust of the question.

What is at issue is the integrity of the Canadian Broadcasting Corporation, the very independence or so-called independence of which successive ministers have been boasting, or were these same ministers just looking for an excuse to get themselves off the hook? Were they looking for a means by which they could explain to the public why, though the public is financing the Canadian Broadcasting Corporation to the extent of over $400 million per annum, the public is to have no say through its elected representatives in just how these moneys are to be spent? The so-called independence of the Canadian Broadcasting Corporation is too often the answer given by the responsible ministers to stop the questioning of politicians.

Also is it wise to spend $400 million per annum for a service used by less than 10 per cent of the population? To what extent is Canadian culture influenced or affected by publicly financed programs that are not being received by an apparently indifferent population?

It was of considerable concern to me to read one of the reasons why Lloyd Robertson has moved from CBC to CTV. Union regulations restricted his reporting freedom. If we are so up-tight about political interference, should we not be equally concerned with all freedom restrictions?

● (2220)

It is argued by the Canadian Broadcasting Corporation, when it gives broad coverage to the separatist P.Q. party, that the suppression of news and the suppression of news commentary are a threat to democracy in a free society. Why then is the same freedom not accorded to those who present the news? If it was bad for Lloyd Robertson to comment on the publicly financed outlets, are we now being brainwashed by his newfound freedom on the independent network?

I will also ask to what extent the taxpayer should finance the separatist point of view, which seeks the very destruction of the institution which gives the P.Q. party its principal source of publicity? The huge salary paid to Lise Payette helps her to attempt to destroy the Canadian Broadcasting Corporation as we know it today. For certain, if her party were to gain power she would not be without a job in a new Quebec government sponsored television outlet. Lise Payette is certainly a very capable performer. But then she has no worries. If she loses the election, she returns to her big salary paid by all Canadian taxpayers.

[*English*]

MANPOWER—LOCAL INITIATIVES PROGRAM—REQUEST FOR EXTRA FUNDS FOR CAPE BRETON AREA

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise to speak in reference to the questions I raised in the House yesterday concerning the rationing of Local Initiative Project funds in the constituencies of Cape Breton Island where the unemployment situation is so grave that it threatens to become destructive of human, social, and economic values. When I return to my constituency for office hours and chat with the people in the general industrial area I meet with an increasingly sad situation.

It is all right for people who enjoy the security of good government jobs or who live in a section of the country where there is a vibrant industrial base to say, "Why don't they get out of there?" The historical truth is that they have been getting out, but there are so many barriers of age, transferable skills, education, home and neighbourhood attachment that the suggestion, for all but a minority of the people there, is both impractical and, in my view, inhuman. Most of the mobility in the post-war period has been to Ontario, and it is today, and has been for several years now, hardly a place to come looking for work unless you are very well educated and specialized.

• (2210)

We have hopes in the long run for a new steel complex that could, if realized, turn around the economy; but in the meantime the severity of the unemployment means that short and medium term projects must be used in areas of chronic, structural unemployment. This is especially true when there are such high national levels of unemployment that are largely cyclical in nature, and enhanced by the restraint and control program, so that mobility even to the prosperous Halifax-Dartmouth metropolitan area is affected because of increasing unemployment there.

The Prime Minister (Mr. Trudeau) has recently said that he expects unemployment is going to remain at high levels up to the 1980's. Given this situation, Mr. Speaker, the government must come up with new job creation programs. This is not the place, nor do I have the time, to discuss the merits of the programs which the minister announced last Thursday and that apparently are to begin next spring. My concern now is with this winter and the severe cuts in the LIP programs in my own area and constituency. In answering my supplemental question yesterday the minister said that his information is that the formula used for the distribution of funds to the constituencies was basically the same as last year, with some modifications to ensure that the funds were directed to areas of highest unemployment.

The minister is probably now aware of the letter I wrote to him on October 8, 1976, showing that, in essence, the formula used was downplaying the amount of unemployment in my constituency by a statistical sleight of hand. His departmental representatives in Halifax, who have so heartily co-operated with me are not responsible for this but rather the blame lies with some of those in Ottawa who live in their ivory towers and apparently have never seen the stark, ugly reality that confronts the unemployed who no longer have UIC benefits and detest the dole.

The minister in answering yesterday the question of the hon. member for Fundy-Royal (Mr. Fairweather) regarding the accuracy of the statistics of the labour force survey which were included in the formula, said that "we should go back to the original system of having members of parliament in the area figure out some pooling arrangement". That seems to agree with my suggestion that the minister meet with the three Cape Breton members affected and with the managers of their Manpower offices to get a more accurate picture of what is ahead this winter regarding the employment situation. I do hope he will act on this suggestion. If it is impossible for the minister to be present, he could delegate a top knowledgeable and humane official.

I do not want to have to rise in this House again this winter and ask for emergency meetings to meet the unemployment situation in Cape Breton. Last year we had three such meetings. Those meetings were attended by Manpower officials, a DREE representative, MP's and MLA's from the area, as well as Premier Regan of Nova Scotia and the president of the Cape Breton Development Corporation. The consensus of opinion was that in the long run a new steel industry was the only permanent answer to the problem. At one of those meetings it was agreed that Canada Manpower be requested to put special funds into a retraining program in the Cape Breton area to upgrade the quality of the labour force supply, both actual and potential, in the construction trades sector. The idea was that it would be a vitally important step if a new steel complex were to be initiated and become a reality with as reasonable a construction cost and timetable as would be considered possible. If the steel complex did not become a reality, then the consensus was that it would be government money well spent.

It is now near November and all we have heard from the government so far is the bad news about the serious reduction in LIP funds. I hope the minister will call the meeting referred to above on the LIP allocations soon. After all, there were over $2 million in projects applied for and I am asked to settle for $379,000 as against $810,000 last year. If the unemployment situation were to be so improved, I would indeed be a happier man, but I know the area too well and so do the Canada Manpower managers in that region, to accept that reasoning. After all, the formula is based upon last year's figures rather than current ones. We desperately need more LIP funds and special funds for the retraining mentioned above. Today's Ottawa *Journal* quotes the new Minister of Manpower and Immigration (Mr. Cullen) as saying he was told to "bring compassion to the job". This is an occasion for compassion and an opportunity to practice social justice also.

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the hon. member raises two questions which are not related, and I will reply first of all to his question about the lay-off of an

the firm which for many years tended to the needs of military flying in the Atlantic provinces. The present firm was established at the urging of the government. It came into being after a certain contract came to an end, the original company having made a long and useful contribution to our national defence effort. The company was taken over by a group of men in the industry who had faith in its possibilities and continuance. They do good work. They have mastered the intricacies of the Argus, the Tracker, the Sea King helicopter, and of other, smaller aircraft used by the Canadian Armed Forces. They have the prime contract for the Argus.

Let me state my concern. It would be logical if they were to carry on with the basic overhaul, repair and maintenance work which will be needed with respect to the Aurora, when it enters service. But the full facilities of the work force, now in place and trained, probably will not be needed until the first aircraft comes off the line, has been in service two or three years, and is performing its military function and related roles. The question is, what is to happen in the meantime?

In order to tide us over the interim period, we obtained assurances from the government that work would be found for our industry in the development of the Orion. Of course that work has not been forthcoming, and I do not know whose fault it is. This evening I want to know if the government is prepared to honour its general commitment, to make certain that the aerospace industry in the Atlantic provinces, particularly in Nova Scotia, will be given work, as promised. I am concerned about IMP and Enamel Heating at Amherst. Will such companies be given the work which the government assured us would be made available? Will those company officials be able to say to their employees—and this is my primary concern—"Yes, we know where we are going, know where we are, and know how we will fill the vacuum between the end of the Argus program and when the Aurora will enter service and need our full facilities for maintenance"?

I hope that the Aurora, the Canadian substitute name for the Orion, the aircraft which is to replace the Argus, will not find itself placed in the same category as that other *Aurora* which fired the opening shot in the Bolshevik revolution in 1917 and, in so doing, sank the remnants of a proud aerospace industry of the Atlantic provinces.

[*Translation*]

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in answer to the hon. member, I will say that replacement work for the aerospace industry in Canada was one of the basic conditions laid down at the beginning of the LRPA program, and the amount of industrial benefits promised at that time had a lot of importance in the choice of the Aurora aircraft by the Canadian government.

The department wanted Canadian businesses in the aerospace industry to benefit most from it. So the Lockheed Aircraft Company and Boeing were encouraged to look up all possible sources in Canada, including Nova Scotia. Two Nova Scotia firms were selected, Enheat of Amherst and IMP of Halifax, because of their excellent past performance and their importance to their community. On representations by the minister and the department, the two companies were included in the final proposal by Lockheed as the eventual supplier of P3 components. Subject to final negotiations between the companies involved, the Department of Industry, Trade and Commerce expects that Enheat will produce firing domes and elevation and direction rudders for all P3 planes produced by Lockheed and not only for the Cp140 (Aurora) while IMP will produce the electrical gear for all P3 planes and do additional work for which it is competent.

Enheat is entirely equipped to manufacture the P3 structural components and has a good reputation as far as quality, costs and delivery schedules are concerned. During the recent labour difficulties at Enheat, the department and Lockheed were naturally concerned because the time necessary to meet Lockheed's delivery schedule was running short and Nova Scotia risked losing the work by default. Therefore, official representatives of the department and Lockheed had discussions with spokesmen for the company and the government of Nova Scotia to try and speed up the settlement of that issue. In the opinion of the minister, that intervention paved the way toward bringing management and labour together in the conclusion of an agreement earlier than would have been possible otherwise.

It should be noted that IMP has no manufacturing capability but is used as a repair and overhaul base for all Argus planes. The compentence of that company is clearly in the area of repairs and overhauling.

The Department of Industry, Trade and Commerce had great difficulty finding some manufacturing work to cover the gap left by the progressive removal of the Argus and the introduction of the Aurora and this without doubling the manufacturing capacity already existing at Enheat and in several other areas in Canada. However the electrical gear provided for IMP requires extensive manpower, a minimum of producers' goods and can be carried out with relatively unskilled personnel.

Lockheed and the department are seriously trying to find other gears or other similar works for that company, because the minister and the department feel that such a step would be beneficial to the government and the Canadian aerospace industry, contributing to maintain IMP as a very competent and productive centre of repairs and overhaul.

The comprenhensive worth of replacement works for the Aurora now under negotiation for Nova Scotia amounts to some $12 million and this figure is subject to increase during the Aurora program and could reach $17 million.

We have every reason to believe that the negotiations between Lockheed and the companies involved will soon be completed and that a contract will be awarded.

their performance today—they could not even organize "no". They could look too at the way people reacted a week or ten days ago in two by-elections. And why did a handful of people in this country manage to throw out what in my judgment was a very good piece of legislation, Bill C-61 for consolidation of the old Canada Shipping Act, in the form of the new maritime code? They threw it out because they no longer have any trust in this government. They no longer have faith in its ability to make regulations or bring in changes in tariff rules. But these things do not bother the government one whit, Mr. Speaker.

Our professional and technical designers have been told that they build good ships but that they are awkward, clumsy, and not nice and shiny like the hydrofoil that runs to the Isle of Capri. Who wants a hydrofoil that could run to the Isle of Capri when we have four feet of ice between Prince Edward Island and New Brunswick and the straits across to Newfoundland, or when we have to haul cargo out of the St. Lawrence River to Newfoundland? We do not need a fancy, shiny MG; we need a three-ton truck designed to meet our requirements with respect to the protection of the environment.

In our ships we need good hull design, environmental protection systems, double hulls to protect against oil pollution and ruptured tanks. We have the capability in Canada, but do we protect our professionals? They were sold down the river by a former distinguished member of this House many, many years ago, and it is to our discredit that we have not done anything to restore the opportunities in this highly professional area of endeavour or to restore the confidence in us.

When the day comes that this country buys engineering plans from an American firm that it bought in Denmark which it originally bought from us, then I shall be on my feet hollering. I shall make a little bit of noise to express my regret. I am not suggesting this could happen, Mr. Speaker; I am telling you it did happen.

Why did the Americans build those two big polar ice-breakers? Was it to operate them in the Gulf of Mexico of Baja, California? No. They were built to operate in our Arctic. That is where they are going to operate, not off New York State, not off Boston, not off Portland or Seattle—there is no ice there. Those are class 7 and class 8 ice-breakers. We could do that type of engineering work in this country if only the government would display faith in our professionals in legislation like Bill C-15.

I could go on and on, Mr. Speaker, but those are just two little items. Another is kayaks. Nobody in North America is going to build a professional racing kayak in the next 20 or 30 years if we charge 25 per cent or 30 per cent import duty. The import value of kayaks this Olympic year was about $40,000 or $50,000, and yet we allow millions and millions of dollars worth of professional design work into this country without import duty, which could create thousands of jobs for engineers and consultants.

I see by one clock it is ten o'clock, Mr. Speaker, and by another it is one minute to ten. May I call it ten o'clock, please?

Adjournment Debate

Mr. Baker (Grenville-Carleton): Mr. Speaker, on a point of order may I ask the government chief whip his intention with respect to the business of the House for tomorrow?

Mr. Macdonald (Rosedale): Mr. Speaker, perhaps I could indicate that. Due to a long-standing engagement I cannot be here tomorrow to continue with this item. My colleague, the Minister of Agriculture (Mr. Whelan), will therefore introduce Bill C-2 at second reading stage. When that is dealt with, my parliamentary secretary, the hon. member for York Centre (Mr. Kaplan), will introduce on my behalf Bill C-5. I expect to be back in the city on Thursday when I hope to continue with this item, No. 15 on the order paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

INDUSTRY—REDUCTION IN WORK ALLOTTED NOVA SCOTIA AEROSPACE COMPANIES UNDER AURORA PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I shall only take a few more minutes of the time of the House to raise a question on the adjournment debate this evening. On October 20 I put a question in connection with the reduction in the work allocation under the Argus replacement program, or the so-called Orion program. I shall quote briefly from page 262 of *Hansard* for October 20 when I put the following question to the Minister of Industry, Trade and Commerce (Mr. Chrétien):

> Has the minister any explanation as to why it is that the aerospace industry in the Atlantic provinces, specifically Nova Scotia, having been offered a $6 million part of that program over a six-year period, now in fact finds that their program is $600,000 over the same period of time?

● (2200)

That $6 million has dwindled to $600,000, which means that the work can be done in a much shorter period of time.

The Minister of Industry, Trade and Commerce (Mr. Chrétien) replied:

> Mr. Speaker, I am not aware of any such specific commitment. Evidently, I am not responsible for the allocation of contracts. I will inquire and report immediately to the hon. member.

I am not particularly interested in who is or is not responsible for the allocation of contracts, having long ago learned that this government is over-zealous in keeping such information confidential. Nevertheless, when the allocation was made, that ministry made great and elaborate promises.

At present the position is this: Industrial Marine Products, aerospace division, located at Halifax International Airport, is in a difficult position. It is the successor to Fairey Aviation,

nothing we would rather see, and the government can bank on our wholehearted and most sincere cooperation to the extent where it proves that it is really concerned about serving the people.

● (2140)

[*English*]

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, if the Minister of Finance (Mr. Macdonald) would pay attention he would learn how little some members of parliament know about the item in front of us, but he would also learn how deeply concerned many of us who are speaking here today are about this item with respect to the way in which the government has treated the aspirations of Canadians and Canadian businessmen.

The item before us fails in a number of respects, and I want to touch this evening on one or two of them which are of some concern to me. I touch on them in the hope that I can bring to the attention of hon. members opposite some of the concern small businessmen have, for example, in the field of design work. They are concerned when they see their government choosing to ignore the plight of people in some pursuits in the Canadian industrial sector, and also when they see a government which is indifferent to the needs of a country which must pull itself up by its bootstraps very quickly.

We have the phenomenon of a very strong Canadian dollar. We have no export sales, but a very positive dollar on world markets. I suggest that part of the reason for this is demonstrated within Bill C-15, the tariff changes which are suggested. They clearly typify the attitude of the government, not necessarily by the selected items it has chosen to bring forward in this particular bill, but rather in its attitude toward unemployment. In the part of the country I come from, which has perhaps the highest unemployment rate in the land, no effort is being made. This bill is an instrument the government has available to it to try to rid the country of regional disparity, to try to bring about equity in our manufacturing sectors and to try to afford protection where protection is needed, but the indifference of the government to the pleas of a number of sectors of industry is a little discomforting.

As I mentioned, I want to touch on a few matters. I want to touch on maps, drawings, architectural prints, machine design, tool design and, good God, even building designs which are imported into this country without charge, although they may be worth millions of dollars, at the expense of the design industry in this country. That is just one area.

I will elaborate on these areas and show the breadth of the government's disregard. For example, it is not possible in this country to buy a racing kayak. That is a small racing shell which is paddled and which is used in this country by thousands of young Canadian boys and girls. It is not possible to bring one of them into this country without paying the general tariff. Not only are these items not made in this country, but there is also not a sufficient market to warrant the development of an industry for their production. Yet all our boat clubs and canoe clubs pay 35 per cent extra for the privilege of enjoying a piece of equipment which is not made in this country, nor will it be made here for many years. Indeed there are only one or two manufacturers of them in the entire world. With regard to that particular commodity the implementation of the general tariff does nothing to encourage employment or to encourage the development of an industry.

In Halifax we have MAGI, the Metropolitan Area Growth Development Corporation, which was established almost accidentally as a result of a wild promise on the part of the government a few years ago to assist in the development of growth centres. It did not get under way for the first four or five years because time was wasted fighting over who would control the pork barrel.

I was speaking about kayaks and a 35 per cent import duty, yet at Halifax the present government permitted MAGI to pour $1.7 million into a cruise ship to develop industry in the port of Halifax and to create jobs in the port of Halifax. Where the hell are they going to cruise from, Georges Island out to Macnab's and back? Maybe they will go down as far as Ecum Secum and back. The night before last there were winds of up to 40 and 50 knots over the coast, and the temperature was probably well below freezing. What in God's name are they going to do with that ship?

The government had an opportunty to bring about a little easing of a financial burden on an identifiable group of Canadians but chose not to do so. Rather, it went through dozens of pages of items which are important in their own right, but taken either individually or collectively they do not do anything to stimulate employment in the Atlantic provinces. Indeed I doubt if the government does very much to stimulate the confidence of the agricultural industry, the manufacturing industry, the drug industry, or the textile industry. I doubt very much if the government does more than create a raised eyebrow. The government is not concerned about the well being of our country. We can range from peas through to cameras, from parts of cameras through to sugar; we can wade through a whole range of things. Not one job will be created by Bill C-15, Mr. Speaker.

● (2150)

I should like to return to the question of imported technical and architectural plans. We have lost millions and millions of dollars worth of design work to other countries whilst we have people in this country with competence in these areas. The so-called replacement of the *Abegweit* ferry is an example. The government said that our marine designers were not competent to design a ferry for use in our waters. The hon. member for Stormont-Dundas (Mr. Lumley) laughs, but I would ask him to think about it. He is a distinguished member of this House who has had some municipal responsibility in the past. When the government sends abroad for marine architects and designers while we have people competent to do the job in this country, I think it is time we looked very closely at its performance.

If members of the government want to understand how closely they are being watched they need go no further than

guards to our meat and fowl and produce industry faced with massive imports.

These import quotas in various areas about which the government speaks so often could perhaps be applied more seriously and more severely on a periodical basis; for example, during summer when vegetable growers are terribly hurt by imports from various countries. Nobody is concerned about these problems and then we hear about payments to make up for unsold crops and it is always the taxpayer who foots the bill.

I think it is worth talking about its importance. There are almost 100,000 employees in the textile industry and how many thousand more in the footwear industry? I have to make it a point, as other opposition members have done already, to raise these matters, Mr. Speaker, to make sure that these industries employ Canadian manpower. But no, the government has been unwilling to take positive steps. It has not had the courage to face its responsibilities and it now asks us to pass social legislation to keep 800,000 unemployed in this country and favour the passage of supplementary estimates for social welfare.

And without realizing it this government is spoiling our generation with social measures instead of advocating work incentive measures. I am not against social measures, Mr. Speaker, but I am accusing this government of being responsible for deliberately creating 800,000 unemployed. This is a burden for our country. They give us some arguments, they make some comments. As I said earlier, Mr. Speaker, it is exciting for my friends opposite to be told that the measures and efforts, if any, have obviously been inadequate.

We are asking the government to introduce more energetic measures which would be more effective. Is this government short of any positive ideas, of at least acceptable alternatives? That is one thing the Canadian people may wonder about.

Mr. Béchard: What are yours?

Mr. La Salle: We are asked, what are ours. First my best proposal would be that this government should resign and give way to a team which is ready to administer this country. This would be a good solution. It has been proved that positive solutions have been lacking for ten years, and I am asked: What is the solution? Courageous measures aimed at protecting Canadian industry, and restrictions on imports into Canada.

Mr. Speaker, for years now we have been advocating such things as the steady growth of our industry, some expansion where possible, of course, but is it reasonable, is it humane to let our Canadian industry go to pieces? This government could not care less and the best example of that, the most recent example, as many members are well aware, is found in the last dairy policy announced last April. They have literally given up our dairy industry, without a thought about its importance, its survival, they have given up this important economic factor in our economy. The same goes for textile, footwear, meat—as has been stressed earlier—vegetables, etc.

Now, Mr. Speaker, I would not want to be charged with wasting the time of the House. I believe it is nevertheless necessary . . .

An hon. Member: That is nothing new!

Mr. La Salle: Our friends opposite have one quality, Mr. Speaker, they are not wasting the time of the House, they do not take the time of the House because they figure it is useless to remind the minister of his responsibilities. Yet voters in Quebec as well as all other Canadians would like the government members to remind from time to time their own minister of his responsibilities, but that is not done.

Apparently this is the role of the opposition and we are doing our duty. We regard it as our responsibility to remind the minister in charge and this responsible government of their obligations and we believe that we have been elected respectfully and sincerely to represent our electors' wishes. That is what I am doing this evening, that is what my colleagues did this afternoon and that is what they have been doing for ten years, although we keep receiving negative answers from the government which does not dare accept our suggestions no matter how good they are.

They did accept one of our suggestions, Mr. Speaker, but failed to implement it, therefore it may be said that they did not accept it 100 per cent. I am referring to the control legislation. They could have applied to the letter the measures advocated by our former leader (Mr. Stanfield), Mr. Speaker, but as usual they refused consultation and preferred confrontation. They would rather upset the provinces, unions and business. They lied to the people and now we gather as we sow, the voters' distrust and lack of faith. Have a look at the latest by-elections.

I know my opponents don't like to hear about that but still, it is a pleasure to mention it from time to time, Mr. Speaker.

An hon. Member: It is not a very positive suggestion!

Mr. La Salle: Perhaps not, but it is a warning which should encourage the government to wake up before it is too late. As for me, I do feel it is too late already but some show of good will on the part of the government could help, and we would be willing to support measures to reduce the difficulties, the hardships Canada knows at the present time.

Mr. Speaker, I trust that the responsible minister will feel even more committed than the colleagues I face tonight. We will therefore take the opportunity tomorrow, it is not too late, to discuss and enlarge upon our remarks, so that the minister will be forced to act, because I am quite convinced that he is not willing to answer and suggest serious solutions to our difficulties.

Under those circumstances, we beg the government to show greater understanding of the present hardships of Canadians, to suggest much more interesting solutions than those, and to prove that it does promote the maintenance of the existing industry. It must be saved and remedial steps must be taken to expand it and to reduce unemployment and inflation. There is

[*Translation*]

And in the very near future, we will note a price increase on the Canadian market and there will be no benefit for Canadian consumers.

[*English*]

So I just want to reiterate my disappointment that a measure such as the customs tariff now being brought before the House has not addressed itself to a major problem not only in the province of Quebec but across this country. I will not be irresponsible and demagogic about it. Unemployment and industrial decline create hardship beyond belief wherever we find them, but I wish the Minister of Finance (Mr. Macdonald), and the Minister of Industry, Trade and Commerce, in a very cool, calm and collected way would visit some of these one-industry textile towns and see the havoc that their lack of policy has created among families. Hardship and unemployment among a labour force which is mobile are one thing, but unemployment within an immobile labour force is another thing and is a cruel hoax. I would hope that the next time a measure such as this is brought before the House—

[*Translation*]

—that this government will do something by taking such a step to help the textile industry throughout Canada.

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to make a few remarks, because I saw that my colleagues opposite were showing some interest in that question of the customs tariff. It seems that this bill, as many others, is still very important. When my colleague from Brome-Missisquoi (Mr. Grafftey) made his remarks, I felt that my colleagues opposite were a little bit nervous. I recognize that it is not always very pleasant to be accused of being inactive. I also understand that it was fair for my colleague to tell hon. members from Quebec, and to all our colleagues opposite, what are their responsibilities.

The way things are shaping up now it is obvious that we can expect more signs of nervousness. In recent weeks some members have chosen other responsibilities and the conditions in which we live, the economic context are all reasons liable to irritate our colleagues opposite to the point that we feel we must be ready to assume the leadership of our country because the public loses more and more its credibility in the present government.

Mr. Speaker, when I say that this bill is important, I also recognize that Canada as a whole is going through a difficult period. Maybe we should ask ourselves who is responsible for the context in which we now live. Quite often we are criticized for not finding wonder solutions; we are asked to give some advice. God knows how many members on this side have done that in the past ten years. We also perfectly remember the warnings we gave to this government a few years ago concerning the difficulties we are facing. However, no action was taken. Much too often, they preferred the status quo. Now we are in a very difficult situation, everybody recognizes that our exports are decreasing and our imports of foreign products are increasing. We wonder what is the reason for this situation.

[Mr. Grafftey.]

We hold inflation as being responsible for our difficulties. However I do recall that in 1968 this government had assured and promised us to reduce inflation and unemployment. Earlier, my colleague from Brome-Missisquoi spoke about results; the results are inflation. We know the difficulties that go with it. The number of unemployed in our country rose from 168,000 in 1968 to 800,000 today.

• (2130)

This is the performance of the present administration that forces them to make some corrections and propose partial answers. We declare them insufficient as do the people of Canada. They show a lack of confidence in this government. When we say it in this House we faithfully reflect the views of Canadians, and our opponents get nervous and pretend that we have no reason to bring up this situation here in Parliament.

Of course, with the increase in manpower we are less competitive on foreign markets but we must ask ourselves the following question: has the government done enough to protect our industries, conserve and improve our manpower? Has this government made sufficient efforts to create new jobs? I am ready to admit that it has provided important credits for job creation, but I am not ready to believe that this government has made sufficient efforts to protect our Canadian production via a Canadian consumption for and by Canadians. The government is to blame on that respect.

We are told about protection for a series of products. A little earlier, one of my colleagues spoke about farm products. Everybody knows how much this industry has suffered from the lack of measures concerning importations detrimental to us and to Canadian manpower. I wonder if this government has not deliberately acted to reduce manpower in the textile industry mentioned earlier by my colleague. We could also discuss the footwear industry. Dairy producers have also suffered not long ago. All this because of the lack of measures and the government does not act.

We know full well that the reports which are submitted and the statements made by the ministers have no valuable results, and the textile industry for instance has lost some ground, I do not know to what extent. What they ask is that we save what is left over in Canada. And anyway, there is no guarantee that what is left can be saved in the textile industry, nor in the footwear industry. There is no guarantee that things will not be worse in future months. There is no way those industries and their employees can believe this government will deal seriously with the problem. However, the government ask that we trust them and support half-measures.

In the face of such general dissatisfaction shown these last months in particular throughout the country and across the board, it seems to me the government should be much more attentive to the current problems facing Canadians.

Job security is important to what is left of the labour force, but this government offers them no degree of assurance, no practical measures. Therefore, how can we give unreserved support to this half-measure that takes no account of the textile and footwear industries for instance and gives no safe-

Mr. Grafftey: I know the government whip is under deep pressure these days and it has obviously affected his manners.

Mr. Guay (St. Boniface): I can take a joke, but we do not see you around this place too often.

Mr. Grafftey: I know you are not looking forward to your caucus tomorrow after what happened this afternoon.

The Acting Speaker (Mr. Turner): Order, please. Will the hon. member please address the Chair?

Mr. Guay (St. Boniface): Come into the House a little more often and we will notice you.

Mr. Grafftey: After making my initial remarks relating to a textile policy, I am not going into the details of what we on this side of the House have recommended vis-à-vis rectification of the problem. All I can say is that during the last session of parliament we had a full debate, so we thought, on the subject of textiles. We had an open exchange. The then Minister of Industry, Trade and Commerce, now the Secretary of State for External Affairs (Mr. Jamieson), assured us that something would be done immediately. Therefore I do not think we are drawing a long bow when we on this side of the House say we regret very much that we do not see action in measures such as the one before the House. It is obvious that the government does not have an industrial strategy, be it for secondary industry or otherwise. It certainly is apparent if you discuss the textile industry.

[*Translation*]

Hopefully I can still hope that the Minister of Industry, Trade and Commerce (Mr. Chrétien), who comes from my province and who is one of my close friends, is aware of the problem. Even if we do not take any concrete action in the House of Commons this evening, I hope that with such a minister we can remain hopeful.

[*English*]

Certainly the present attitude of the government vis-à-vis an industrial strategy in general and textiles in particular convinces me that the government is still willing to live dangerously on the short-term selling of our non-renewable natural resources. This is being done in relation to our trade. I agree entirely with the hon. member for Vancouver Quadra (Mr. Clarke) that if members of the present government are lousy traders, it is because they have become soft. Year after year they have been fire-saleing our non-renewable natural resources.

Unless we get an industrial strategy integrated with our customs tariff policy much sooner than later, the chickens will come home to roost with obvious results. Until the government shows me differently, I remain convinced that senior ministers of the Crown have been convinced by senior bureaucrats that the textile industry in this country is expendable. What else can I think when I see the sort of attitude displayed by the government now and over the past years?

I want to reiterate from this side of the House, time and again, what we have said before. I am not entirely aware of the details of the problem relating to textiles all over the country, but for perhaps the fiftieth time I will outline the problem before this House as it affects not only my constituency but many areas in the province of Quebec. Talking about regional development or integrated economic planning or industrial planning, we do not share the same experiences as the province of Ontario. In Ontario there are many economic areas centering around Toronto, Ottawa, Hamilton, Windsor, and the Lakehead. However, in the province of Quebec—

[*Translation*]

. . . we have the large economic district of Montreal with some three million inhabitants. We have of course very important centres such as Quebec City and Sherbrooke. However the economic planning of our province, compared with that of Ontario, is entirely different. We have rural centres . . .

Mr. Béchard: There is Montreal and the remainder of the province.

Mr. Grafftey: We should be proud. I do not blame anyone.

[*English*]

Outside the economic area of Montreal we have a much different economic situation than in Ontario or many other provinces of this country. To a great extent we find our textile industry in rural and what is often termed small-town Quebec. In my area, for example, many of the towns of 12,000, 15,000 or 20,000—whether we are talking about Saint Hyacinthe, my own riding, Magog, Downsville, Sutton, Farnham or Bedford—are one-industry towns and that industry is the textile industry. Very often the pay is low, although I admit it is getting better.

• (2120)

For reasons that I think members of the opposition should have convinced the cabinet of long ago, it is not a very mobile labour market. Contrary to the brainwashing the treasury benches have received from high officials, most of our plant is the most modern in the world and yet we still do not compete because of the bone-headed attitude of the government. When we have one-industry towns, a lack of mobility in the labour market for reasons I shall not go into now, and a modern plant, I find it difficult to understand, unless the government is keeping something from us which it will not admit, why it has the attitude that the textile industry in this country is expendable.

I ask again and again: why do the backbenchers from Quebec on the government side not convince the Treasury Board that it is in measures just like these in respect of the customs tariff where we could begin carrying out the recommendations, whether they be those of the Senate or otherwise? There is the argument in favour of the consumers, that by letting low priced imports in from certain other countries the consumers will be the beneficiaries of the low prices; but we have seen time and time again that the minute low priced imports are able to come into the country and finally and completely kill the production of a specific industry in Canada, then the exporting countries take advantage of the situation.

presented in the first few weeks of the session with measures which the government says are simply housekeeping measures. As the hon. member who preceded me said, we on this side of the House believe that items such as budget resolutions should indicate not that they are just nuts and bolts, ad hoc, housekeeping measures; items as important as budget resolutions should address themselves to the central economic problems of the country today. I submit they should at least be part and parcel, if you will, of an industrial strategy, whether it relates to tariffs or otherwise.

I want to discuss in particular the textile industry in Canada today. In this regard we have had studies, promises, delay, inaction from the government, as well as some far-flung Senate recommendations. We have had commission piled on commission, recommendation piled on recommendation. One minister after another, be it the finance minister or the minister who preceded him, the Minister of Industry, Trade and Commerce (Mr. Chrétien), or the one who preceded him, has dealt with this issue.

[*Translation*]

They made a lot of promises to the textile industry but without acting and getting results. Considering the prevailing situation in the textile industry not only in the province of Quebec but across Canada, I wonder to what extent the ministers concerned listened to the advice of Quebec members when they met in caucus. Or still, with the results we are now getting in the House of Commons I wonder whether Quebec members actually discussed those problems in their own caucus! I ask what steps did they take and what results did they get?

An hon. Member: What do you know about textiles!

Mr. Grafftey: You keep talking but where are the results?

[*English*]

If ever, Mr. Speaker, there was an occasion when this House, or management and labour should have expected action, it surely should be in this measure put before the House tonight. But having had promise after promise after promise, we come to the House of Commons and once again experience inaction. It is a cruel hoax after the promises—

[*Translation*]

Mr. Béchard: Name one!

Mr. Grafftey: You talk a lot but I am convinced that you should speak openly to the people of the province of Quebec. Are you really satisfied with the Liberal party and the results of this government with respect to the textile industry? You are satisfied? Never!

Mr. Béchard: We are never satisfied!

[Mr. Grafftey.]

Mr. La Salle: Neither are we!

• (2110)

[*English*]

Mr. Grafftey: If the government were really serious about an integrated industrial policy for this country in general and, more specifically, a realistic policy in textiles, surely after the promises that it has made we would see action, not a measure such as brought before the House tonight; but we do not.

[*Translation*]

We had promises during the last session before the holidays. The Secretary of State for External Affairs (Mr. Jamieson) made them when he was Minister of Industry, Trade and Commerce. On several occasions, prodded by questions put by the opposition, he assured the House, the textile owners, workers, not only in my province but across Canada, that we could expect concrete action in the near future. And today what do we have in terms of proposals from the Minister of Finance (Mr. Macdonald), what do we have for the textile industry? Nothing. I hope members on the government side will exercise pressures very soon to correct that very serious situation.

[*English*]

After the Senate recommendations, the commission reports, and all the millions of dollars the government has spent on commission after commission, there is no government in the free western world that has made more studies at greater cost to the taxpayer than this government, without carrying out one iota of their recommendations.

Whenever the Trudeau government gets a problem before it, it has a royal commission, it has a study and it spends millions and millions of dollars. From one end of the country to the other there are Senate recommendations and royal commission reports, but not one recommendation is followed.

Mr. Béchard: Tell that to your friend from Central Nova.

Mr. Grafftey: The hon. member screams and yells because I am telling the truth and it hurts. Excuse me, but you are bothering me.

The Acting Speaker (Mr. Turner): Order, please. I suggest that hon. members carry on their conversations behind the curtain.

Mr. Grafftey: Would the whip carry on his business elsewhere?

Mr. Goodale: Are you going to ask Stanley to leave too?

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a point of order. If the hon. member would say something worth while or something that made sense, I would stay in my seat.

The Acting Speaker (Mr. Turner): I suggest to the hon. member for St. Boniface (Mr. Guay) that that is not a point of order. It is a point of debate.

Today in Ottawa there was a representation from the Canadian Cattlemen's Association. I do not propose to discuss this issue in any detail because that will be done on another occasion, but one thing came through to me. Inconsistency in government policies affects these men very greatly especially when there are higher tariffs on the export of their product from Canada to other countries than there are on imports into Canada from those same countries. On the one hand, the government says Canada must compete in overseas markets, and on the other it makes it very difficult to compete.

The "on and off" policies of the Minister of Agriculture (Mr. Whelan) have a lot to do with this situation. The minister has approved certain policies which will, he says, stabilize the price paid for farm products. What he does not tell consumers is that the price will not level out at a rate equal to the average of the highs and the lows, and that the public will end up paying the higher price all the time. We have only to look at the quotas imposed on efficient producers who are told they cannot produce as much as they would like. There are boards that control the production of eggs, milk and butter. I do not know how many millions of pounds of butter or how many thousands of dozens of eggs have been spoiled as a result of this policy. The supply of turkeys and chickens is either controlled already, or will be controlled before long. I speak for the consumer because I represent a community of 80,000 consumers.

Finally I want to say I am glad that the Consumers' Association of Canada has taken up the case against some of these government policies which it realizes are not in the best interests of the public though they are in the best interests of inefficient producers. This has become evident to those who are able to make price comparisons by shopping across the line in the State of Washington, for example. It is time we re-examined the claims of the consumer and the principles involved in the implementation of the various customs tariffs.

I believe the Prime Minister (Mr. Trudeau) returned from Japan today. It is evident that the Japanese want to buy more raw materials from Canada. Free from the high costs and labour troubles so familiar here, Japan is readily able to produce and sell goods manufactured from the raw materials we supply. At the same time Canada as a nation wishes to manufacture and export more finished goods. Since we have the raw materials, perhaps we should control them and see to it that we do export more finished goods. Developing this proposition I would ask why Canadians should pay higher costs on imports subject to tariff, or higher costs on goods manufactured in Canada. This is not to say we want to be the hewers of wood and drawers of water we have sometimes been depicted as being. What that is to say is that the policies that have led us to the position we are now in need to be re-examined.

● (2100)

It is entirely possible that the people who are presently engaged in manufacturing goods that we could more cheaply buy from other countries could have their efforts diverted into jobs that would manufacture commodities produced from Canadian raw materials. It could easily come to a balance where the consumer would benefit from the lower prices available to him by importing goods from other countries at lower prices, in most cases at much lower prices, and would also benefit from the tax and trade revenues received from exporting goods produced in Canada from our raw materials. As it is now, Mr. Speaker, the ordinary taxpayer is called upon not only to subsidize in many cases the producers of this country but is also called upon to pay a much higher price as a result of the involvement of the government in this sort of thing.

It is not too difficult to trace many of the problems of our exporters to other policies of the government which have made it difficult for Canada to compete in foreign markets. However, we do have many examples of industries that are still able to operate and export to world markets, such as the forest industry, such as British Columbian lumber, plywood, and pulp. Pulp from British Columbia is sent all over the world.

Opponents of my suggestion may say that the loss of jobs in the manufacturing industry would cause greater unemployment and ultimately be a greater burden on the taxpayer. I think that is something that could be examined. My contention would be that the net saving to the consumer would more than offset any loss that might be occasioned from greater unemployment. If, of course, the end result were greater production of goods, then on balance I think it would work the other way. Anyway let us not make small adjustments to, and temporary cuts in tariffs when obviously there is a deeper problem. I think it is wonderful to be a Canadian and to have Canadian industries, but I am not sure that Canadian consumers want always to be called upon to pay the very high prices that they are called upon to pay in order to support Canadian industry, and so that some consumers may work in Canadian industries.

I suggest an examination by the government might also uncover different policies that would reduce costs for the consumer. In the long run we might have better jobs for those people now employed in the manufacturing industries. In short, let us not close our eyes to deep policy examination. Let us not just patch up existing tariffs with temporary cuts or temporary anythings which are going to expire in one year, and then are extended for two, three or four years. Let us have a deep enough examination to get to the root of these problems.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in addressing myself to this measure I should like to continue on in the same vein as the most able speaker who has just preceded me. I do not want to discuss so much what this bill pretends to do but rather, as the previous speaker so ably did, I want to address myself to what, in my view, the bill does not do.

I can almost hear the finance minister arguing that, like most of the items presented to the House at the opening of a parliament, this bill is merely a housekeeping measure. We on this side of the House do not accept the thesis that after a long summer's break, with the economy as it is, we should be

pulled into the debate and ask the government to take further action on behalf of friends, constituents or others.

This afternoon I find myself agreeing with what an hon. member to my left, the hon. member for Timiskaming (Mr. Peters) was saying in this debate. I do not often find myself agreeing with members of his party, except on humanitarian values where I find we are very close.

Mr. Knowles (Winnipeg North Centre): Sojourn down here.

Mr. Clarke: Sometimes I think I spend too much time sitting near hon. members to my left. At any rate the hon. member for Timiskaming said he was not in favour of extending temporary tariff cuts and mentioned two valid points, or two matters, which give businessmen much difficulty. He mentioned freight rates, which are completely beyond the control of the businessman but may affect him greatly, and referred to the customs tariff, which again is completely out of his control—the tremendous swing effects may affect particularly the small businessman who may be in difficulty through no fault of his own, owing to pressure brought to bear on the government.

The hon. member for Timiskaming also deplored the extent of government intervention in small business. I think he actually said—I mention this in case my remarks are reported to him—that he would keep government out of business. It was refreshing to hear that from a member of the NDP. I understand that party loves freedom and believes in the freedom of the individual. I certainly agree with that position. Many of our business troubles would be easier to treat if there were less government involvement with business.

When governments involve themselves in business, the inequality of treatment they mete out is one of the difficulties we encounter. It does not seem to matter which sector of the economy the government wants to help; it ends up hurting just as many, or even more people. I suppose the most recent example of the ineffectiveness of a particular government policy is the so-called peace and security package which was brought forward in the previous parliament. Before we had finished debating it at committee stage, the government itself had proposed 50 amendments to the legislation drafted under the aegis of the Minister of Justice (Mr. Basford).

Our customs tariff contains not a few inequities; some have been reported to the government; some I have myself reported. Unfortunately the present bill does not attempt to correct them. May I give you, Mr. Speaker, and my colleagues some examples of what I mean.

One example has to do with a hobby which interested me greatly even before I came to this place, the hobby of vintage cars. For a long time vintage car enthusiasts have been trying to persuade the government to give them relief. Those Canadians are trying to preserve part of the history of Canada, if you will, and want to restore automobiles, many of which were made in Canada. They want to keep their hobby alive in Canada. But instead of obtaining relief from the government this group of Canadians find themselves penalized at every turn. For example, they have to go to the United States to get the old tires they need for their vehicles, and when they bring them in, the full rate of tariff is imposed on them. The same applies to the parts for these vehicles which are not manufactured in Canada. The whole history of tariffs is disregarded.

● (2050)

It might be said that, after all, these are automobiles and that there can be no exception for automobiles. But bear in mind that these are historic automobiles. No exception has been asked for any vehicle less than 30 years old. On the other hand the tariff does provide, in a complete about-face, that antiques—furniture and other non-mechanical things—are exempt. Anything over 100 years old is covered by the definition and is allowed into the country duty-free. The exemption applies, as well, to original works of art as long as they cost more than $20 or something like that. Any hon. members who know people who have smuggled paintings into this country can tell them they have wasted their time because they would have come in free anyway.

There is a direct relationship between original works of art and antique or vintage automobiles. Many people think of the latter as works of art and they are by definition, certainly antiques.

That is one example. The Minister of National Revenue (Miss Bégin) gave us another today. Obviously our efforts will be in vain for many months, in any event, but in answer to questions about delay caused by people returning to Canada at the border crossing at Douglas, British Columbia, the minister indicated that more staff had been hired and, since the traffic problem seems to have been caused by Canadians returning to this country after shopping in the United States, and the fact that the groceries for which they shopped incurred duty at different rates, which involves unpacking and repacking, she would try to get the tariff changed as it affected the casual importation of groceries. I am not certain whether she intended to make it easier for Canadians by removing the duty on casual importation of groceries, or whether it was her intention to ban the casual importation of groceries, an action which would certainly have an effect in dealing with the traffic problem at the Douglas border crossing.

We find that the pressure goes on, certain businesses react to it, the business cycle is upset, and we get into more trouble than ever. There are examples I could give. Clothing manufacturers, providing jobs in Canada, have found for a variety of reasons that their operations were impracticable and they have ceased to manufacture. As a result hundreds of workers have been thrown on the job market. This is not the fault of the customs tariff, it is the fault of other government policies. The firms concerned are not going out of business. They find they can import the goods which they formerly manufactured in Canada, pay the duty, and still sell at a profit here. Jobs have been lost, but the companies stay in business by taking advantage of conflicting government policies and there is no evidence that the proposal before us has taken account of these deep-seated problems.

From January 1, 1976, to September 5, 1976, compared to the same period last year our exports of fresh and frozen pork were minus 90 per cent; hams minus 13 per cent; backs and loins minus 10 per cent; bellies minus 4 per cent; shoulders and picnic plus 13 per cent; side and spare ribs minus 19 per cent. In processed pork, cooked hams were up 26 per cent; cured hams minus 50 per cent; backs and loins minus 62 per cent; bellies minus 24 per cent; shoulders and picnics minus 48 per cent; pickled in barrels plus 3 per cent—that must be the prime promotion of the Minister of Agriculture—canned hams minus 82 per cent; other canned pork plus 83 per cent; boneless pork minus 14 per cent, and pork with bone in minus 54 per cent. The average was minus 10 per cent over last year.

These figures are taken from the Canada Livestock and Meat Trade Report so I have not just taken them out of the air. They are available to everybody and we have to accept them as authentic.

The Minister of Agriculture and his colleagues, the Minister of Industry, Trade and Commerce, and the Minister of Finance, will have to get busy and develop policies that are acceptable to the industry. If they do not, we are going to be in serious trouble because there is no way we can survive in an economy that is showing a $5 billion trade deficit while our export trade continues to fall off.

We have been relying on our grain a great deal to counteract this trade deficit. Grain trade alone amounted to about $3 billion last year but, since July 1 this year, the price of wheat has dropped 70 cents per bushel and all the other grains have fallen in price as well. We also realize that we can no longer rely on those countries that have bought our grain in the past. There are reports that Russia has a surplus of grain this year.

I bring these matters to the attention of the Minister of Finance so that he can give greater consideration to the rural parts of Canada. It may be that since he lives in Toronto he is not too worried about the production of food, but those in the industry know that we have to plan now for produce that will come to market in three years time. The government must not hesitate to develop good trading patterns with our customers to ensure a market for our surplus. These patterns should be developed particularly between western Canada and the northwestern United States, and the Montreal-Toronto area with the eastern United States. I should also impress upon the Minister of Finance that financial policies have a direct bearing upon whether we win these markets or not. He should keep in mind as well that income tax and other forms of taxation have a direct bearing on the output of the labour force. The minister must accept his responsibility in this regard; if he does not, Canadians will suffer the consequences.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, in rising to examine the merits of Bill C-15, the adjustments to the customs tariff, I feel I should address myself first of all to a little of the history involved with tariffs in general. Some time in the distant past tariffs were imposed by various countries for the protection of their home industry. We find that probably every country in the world now has some kind of customs tariff ruling. They are changed from time to time, but probably none so often as those in Canada.

● (2040)

In 1973 the minister of finance was Mr. John Turner.

An hon. Member: Who?

Mr. Clarke: In introducing his budgetary measures on February 19, 1973, he said he was introducing temporary cuts on a wide range of consumer products. It would be difficult not to agree with some of the reasons the minister gave for proposing those cuts. The important thing was, they were temporary cuts. I found it easy to agree because in my constituency, Vancouver Quadra, there are not what one might call specialized groups. For instance, in my riding there are no agricultural producers, in fact no farmers of any kind, and no manufacturers as such. On the other hand I do represent some 80,000 consumers. I find that there is no spokesman for these consumers who, after all, must pay the bill and pick up the tab after everybody else has had his little bite.

In that very same debate in 1973 my colleague, the hon. member for Edmonton West (Mr. Lambert), took issue with the minister about the temporary nature of those tariff cuts. He said, as reported at page 1,522 of *Hansard* for February 21, 1973:

> These will not be temporary. I do not anticipate the minister having the opportunity of announcing in the House that he is revising these tariffs and increasing them again.

History has again proved the hon. member for Edmonton West to be absolutely correct. The minister never had the opportunity to increase the tariffs. His own actions, of course, prevented his doing anything of that kind.

Since that first action taken by the then minister of finance in 1973, we have seen further extensions of these tariff cuts. At present we are considering a further extension, as proposed last May by the present Minister of Finance (Mr. Macdonald).

As I mentioned, other countries have introduced customs tariffs to protect their own interests. I shall touch on other methods which other countries use as an adjunct to the formal type of customs tariff. These adjuncts are known as non-tariff barriers. For example, a non-tariff barrier could consist of a provision restricting bids to businesses resident in that particular country. Another could be impractical documentation requirements. Documents may be required in a particular language, or in a form which may be impractical for businesses in other countries to use. Another example might be an unrealistic financing arrangement which would serve to keep foreign businesses out of the market in the particular country passing the regulation.

It seems, in the matter of tariffs, that the squeaky wheel gets the grease. It often seems that if a particular industry or business is big and gets into difficulty, for any reason, it appeals to the government for protection. We on my side of the House sometimes fall into the trap. Sometimes friends, constituents or others appeal for help and, although we say there is already too much government involved in business, we are

The government should become involved in the development of our processing plants. This is what I am talking about. That is what we need in western Canada.

In a moment I intend to refer to a speech made by the premier of the province of Alberta along these lines. In any event, Mr. Harris went on to say:

"Tax laws also can be terribly important. It seems to me one thing when you talk about risks of Bell Canada or International Nickel, but something else when you talk about XYZ Manufacturing.

We in western Canada need companies like XYZ which will process our meat products so that we can capitalize on that northwestern United States market.

"You expect better returns (from XYZ), but it requires a great deal more patience. It is highly questionable whether you should have the same tax structure for these two very different types of equity investment."

He advocates tax incentives to investors to provide the risk capital for companies like XYZ, and to entrepreneurs to develop businesses they can pass on to their families without onerous succession duties.

Without external financing, such companies must deploy retained earnings, bring in partners (often big corporations, therefore hastening business concentration) or stop growing.

"We think this is an important area of Canadian business planning."

This is where the Canadian government, through the Minister of Agriculture and his colleagues in the cabinet, is failing. There is not adequate planning for the development of an industrial base.

Just the other day, on October 13, the premier of the province of Alberta spoke to his legislature, and I want to put on the record some of the statements he made, as follows:

Mr. Speaker, we have to find new markets for our agricultural products. The United States provides one of the best potentials for markets. One of the better areas is processed boxed beef. But we have to make some changes in the tariff and trade situation. We allow it to enter Canada at a duty of 3 cents a pound. But when we want to sell it from the west into the northwest or into California, the United States has an *ad valorem* tax of 10 to 15 cents a pound. Now it is important for us to make some breakthroughs in these trade and tariff areas. When I was in Washington in June, I spent a fair amount of my time discussing it with senators, congressmen, and the administration.

I might say just in passing that this is one of the breakdowns of development in Canada. That is because the federal government is not seizing the initiative to develop these foreign markets. The federal government is leaving it to the premiers and to departments of several provinces, for example, the provinces of Alberta, Saskatchewan, Manitoba and Ontario. They all send their trade delegations to foreign markets, to the European Common Market, Japan, and wherever they can find a market.

The premier went on to say the following:

But let's recognize how important it is for Alberta. It's key in the Alberta economic strategy for agricultural processing, Mr. Speaker, and trade and tariff arrangements are going to become more and more the attention of the Executive Council of Alberta, and I hope of the whole legislature. Canada's negotiations on GATT are critical to Alberta, and hopefully we can move more effectively in bilateral negotiations with the United States, particularly in the area of agriculture.

We are going to be involved, and we want to be involved, in a very high risk area of agricultural processing. For we must process these agricultural products in this province, and we must get into the world markets. We must become less dependent merely on the price situation of the basic grains, and the China and Russia crop situation. In international marketing it has been our policy for five years, through our agencies, to do what we can to move in and find new markets. And we have had some important successes.

Mr. Speaker, in terms of economic strategy—and we have them—in the fall of 1974 it was outlined. We have made considerable progress in agricultural processing, both in terms of the support we have given and the initiatives we have made, but equally because we have created a climate here. We have seen concerns come to this province to process our agricultural products, and so there have been. Later in the fall we will have further elaboration on some very important steps forward in this area.

Why in the world should a provincial government have to do this by itself? Why does the federal government not get involved? After all, regardless of what happens, the federal government has to sanction trading agreements which are made, and certainly the federal government and the Minister of Finance would be well advised to get involved in this at the initial stages, become a part of the process and develop it. The minister would then feel better because he would have achieved something worth while.

I want to impress upon the House the importance of the process about which I am talking. We have to develop a trading relationship with our friends to the south because of the importance of that trading relationship to us. This year, from January 1 to September 25, our imports from the United States of pickled and cured beef are up 100 per cent plus. Our importation of cooked beef is up 63 per cent and our canned beef is up 69 per cent. That is only for three quarters of this year because the last week of September and the months of October, November and December have yet to be added, so the situation will be much worse.

● (2030)

Imports of fresh and frozen pork give the following story: carcasses and sides up 100 per cent; hams up 62 per cent; backs and loins up 20 per cent; bellies up 100 per cent; shoulders, butts and picnics up 69 per cent, while side and spare ribs are up 91 per cent. Processed pork, cured hams were up 100 per cent plus—and we have a falling pork market in this country, Mr. Speaker. Cooked hams were minus 66 per cent, so we seem to have a market for cooked ham. Backs and loins were up 100 per cent plus; bellies, sides and bacon up 47 per cent; shoulders, butts and cottage rolls up 100 per cent plus; pickled in barrels minus 3 per cent; canned hams, shoulders and picnics up 100 per cent plus; other canned meat up 25 per cent; other pork with bone in up 100 per cent plus, and other boneless pork up 100 per cent. The average was up 79 per cent over last year.

Canadian agriculture cannot withstand that, Mr. Speaker.

Mr. Whelan: Canadian exports of beef were up.

Mr. Towers: The minister says our exports of beef were up but I would remind him that our quotas of dressed beef going to the United States are full for this year. The last two months of this year will create serious problems for our beef producers.

Our export picture is exactly the opposite, Mr. Speaker, and I should like to put the figures on record. I think they will show the minister that he has a job to do.

but a heinous reply to a definite need for action. As I mentioned earlier, it would take a concentrated effort on the part of the hon. member for Kamloops-Cariboo (Mr. Marchand), and frankly he will not get the support he needs. He may well be the sacrificial lamb for a cabinet which is not doing the job which the Canadian public demands of it. If we could have more responsible action, we would not be in the shape in which we find ourselves tonight.

Mr. Gordon Towers (Red Deer): Mr. Speaker, as I rise to take part in the debate on this bill I am particularly pleased that the Minister of Agriculture (Mr. Whelan) has seen fit to come to the Chamber this evening. Judging by his performance in the last four years, unless he changes his policies and his pattern, I do not expect too much to come from the present policies of the minister. I have greater hope in the leadership of the hon. gentleman who is in the gallery tonight representing the Canadian Department of Agriculture because that is where our strength lies at present, certainly not in the Minister of Agriculture because when he first came to the House of Commons he said that he would be a minister who answers his telephone. I want to tell hon. members that this is the highest priced answering service that Canadian agriculture has ever had.

An hon. Member: Just like the Liberal whip's check-off system.

Mr. Towers: Canadian agriculture has been going through a traumatic experience in the last several years. It cannot continue to suffer the consequences of bad policies, or lack of policies, because the producers are being placed against the wall. If agriculture is to survive, it will require the assistance of the Minister of Finance (Mr. Macdonald) and of the Minister of Industry, Trade and Commerce (Mr. Chrétien) as well as new direction from the Minister of Agriculture because of the fact that we have been enjoying high prices especially in our pork industry. I will deal later with some of the schedules that are part of Bill C-15 now before us. I believe that, with the recent drop from 35 per cent to 40 per cent in the selling price of pork and cattle, the pork producer is hardly making a profit.

We are all very much aware of the fact that the beef producer has been operating at a loss for the last three or four years. The hon. member for Hastings (Mr. Ellis) mentioned the fact that representatives of the Canadian Cattlemen's Association are now in Ottawa trying to encourage the Department of Agriculture to adopt policies which will be beneficial not only to the producers but also to the consumers, and to our trading partners in the world. They are very much aware of what has happened in the last eight or ten months. Imports of beef from the "down-under countries" has increased by 60 per cent. We know what this has done to the selling price of beef in Canada. Actually the cow-calf operator here has been the victim of circumstance over the past several years. For this reason it is of fundamental importance that the government, through the Department of Agriculture, the Department of Industry, Trade and Commerce, and the Department of Finance, bring in policies which will alleviate the situation.

● (2020)

The producers cannot stand it much longer. They are going just as far down the road as they can go. Many are going into bankruptcy and selling their herds because of the fact that there has been a *fait accompli*; they are finished. What will happen if the government does not bring in policies to encourage production? The consumers of Canada will either have to depend on world markets or go without. That is a serious choice to make, and now is the time to adopt policies which will be of benefit to producers and which will ultimately benefit consumers.

Just today in the Toronto *Globe and Mail* there was an article referring to Canadian manufacturing. When I say "Canadian manufacturing" I am not only referring to textiles and other forms of manufacturing but also to the manufacturing and processing of beef.

The Minister of Transport (Mr. Lang) is in the House this evening, and he is well aware of the difficulties we have in Canada due to transportation problems. It is a costly venture to bring produce from western Canada to the eastern market in either Toronto or Montreal. It would be far better for us in western Canada today if we could market our produce in the northwestern United States, but that is a sophisticated market. You cannot send live cattle; in most cases you cannot send carcasses down. We have to cater to that market, and this is where government policies come into play. This is what we are dealing with in this ways and means bill. We should be developing ways and means of encouraging western producers to capitalize on that market in the northwestern United States.

By the same token, the market available to the western producer in Toronto and Montreal could be turned around and supplied by the producers in the eastern United States. However, this would require reciprocal trade arrangements, and this is where this minister and his compatriots, the Minister of Industry, Trade and Commerce and the Minister of Finance, are falling down. They are not using any innovative process to bring this about, and this is causing a great many problems for the beef production industry in Canada.

I referred earlier to an article in the *Globe and Mail* of this morning, and this is what it said:

> Canadian laws make it difficult for small and medium-sized companies to get the required financing for growth and as a result "we're developing a nation of very few corporations," Peter Harris, president of A. E. Ames and Co. Ltd. of Toronto, says.
>
> He was referring to companies beyond the venture capital stage as "the people in that business (venture capital) tell me the problem is finding attractive deals. They think if anything there's too much venture capital."
>
> To emphasize the problem, he questioned what secondary manufacturing operations can survive in Canada, as even companies that have an established market have serious financing problems.
>
> Mr. Harris acknowledged that the Canadian business environment, with small markets and high labour costs, is a problem not easily solved. But governments should help, he insisted, for example by the "recognition of the importance of investing laws for insurance companies, banks, trust companies and pension funds.

This is a good industry. It is a capable industry, but it is an industry which is facing decline. Unless there is some support forthcoming from the federal government we will not have an industry in the very near future. Korea, Taiwan, and Hong Kong are shipping in something in the order of $250 million worth of textiles every year. We have watched Sweden completely lose its textile industry.

I have seen problems relating to the lack of controls particularly in my community. The Government of Canada must realize that if it lets this industry go down not only will many jobs disappear but, as has happened in other industries, prices will soon rise to a point above that which Canada is producing the products for and, if this happened at a time when our outside sources could be cut off, we would be in serious difficulty. There is a need for quotas and regulations. Other countries much larger than ours, for example, the United States, control their imports, and we certainly should.

While I have mentioned the Minister of Industry, Trade and Commerce (Mr. Chrétien), I wish to make one last remark in this particular area. It seems a sad state of affairs when the president of a multinational corporation in Canada, which has a large plant in the city of Belleville, cannot get to see the Deputy Minister of Industry, Trade and Commerce before 10 o'clock in the morning or after four o'clock in the afternoon, and even then has to wait six or seven weeks to get an appointment to talk to him. This is typical of the type of approach we have had from this government.

I want to spend a very few moments discussing another industry. I am glad the Minister of Agriculture (Mr. Whelan) is in the House because I wish to talk about agriculture. It seems to me this is so basic an industry that we should certainly be giving it top priority attention, yet in Prince Edward county just south of Belleville some 4,000 acres lie fallow this year. The vegetable producers in that area presented their case to the Department of Agriculture months ago. They made it very clear what is necessary to keep this industry alive. The answer from the Department of Agriculture, which really was no answer, was that they wanted to wait to see what the pack looked like. Of course they did not get a whole pack but they got a very good pack of what there was, and now the processors are selling the product for $1 a case less than it cost them to produce it.

● (2010)

These producers are not trying; however, they are quite prepared to meet a fair market. As a matter of fact they are prepared to take on the major producer, they are prepared to take on the United States on an open market basis. They are capable of meeting that kind of competition but they are not capable of meeting competition from other countries such as the ones I mentioned earlier, from countries like Taiwan and others where the rate per hour is less than 10 per cent that paid in Canada, and the cost paid by producers for the raw product is less than half that being paid in Canada.

We know that at one time there was a commercial strawberry crop in Canada. Without support, that crop vanished completely. The consumer in Canada is paying a whole lot more for strawberries coming in from abroad. Since there is no competition here, they will have to pay what the market will bear.

At one time there was a binder twine industry in Canada. Again, with no support from the government, the industry folded and, as every farmer in the country knows, they are now paying over four times for binder twine what they paid seven or eight years ago.

Meeting with many of the members of our caucus right now in this building are members of the Canadian Cattlemen's Association. I do not intend to intrude on the areas under the jurisdiction of my colleague, the hon. member for Medicine Hat (Mr. Hargrave), who knows that industry particularly well. Let me just say that they have presented to us the case they put to the federal cabinet recently for a fair and responsible beef import law. The government has seen fit to do absolutely nothing about it. They are not only the laughing stock of the world but they are taking the butt of the criticism of world beef producers because not only are they not protecting themselves but they are causing chaos in the rest of the world market.

Finally I should like to speak about an area of agriculture about which I know a little, namely, the dairy industry. We have had so many problems in the dairy industry this year that it is not even funny. Early in the year the Minister of Agriculture decreed that we had to stop producing milk. A few days ago, the quotas were increased. Surely the Minister of Agriculture knows that on the south end of a north bound cow there are no taps. You cannot turn them on and off again.

It takes a lot of time to bring an animal to milk production, and you just do not turn it on or off that quickly. In my particular part of the country where the finest cheese in the world is produced cheese factories are now finding that they are only producing five days a week instead of the normal six days, and very soon they will have to cut down to three days a week because of shortage of milk. I make no bones of the fact that I accuse the cabinet of doing this maliciously. We are now importing something in the order of 50 million pounds of cheese a year, and I suggest that two years down the road, with the shortage of cheese right now, there will be a shortage of well cured old Canadian cheddar which is so popular. Sure enough, that will be the justification for importing more cheese.

What I have outlined very briefly are the problems that I have encountered in Hastings and Prince Edward counties. I am confident that they are multiplied in every area of small manufacturing and in the rural agricultural industry throughout the whole of Ontario. After listening to my colleagues I am reasonably certain that the same is the case in the rest of Canada. If you multiply the problems I have outlined throughout the whole of Canada, you will have some idea of the great problem with which we are faced.

Looking at the throne speech I see one of the answers which the government puts forward is that it is prepared to create jobs directly in some locations. This is not only not the answer

previous agreements. Safeguards would now provide for the timely detection of the diversion of significant quantities of nuclear material for the manufacture of nuclear weapons or explosives or to purposes unknown, and for the deterring of such diversion by early detection.

From 1970 on, safeguards continued to develop. Nuclear suppliers, who have certain generally defined obligations under Article III of the NPT, consulted for a number of years to develop the complex technical details of those international safeguards. In 1974 one major phase of this development was reached when a substantial number of supplier countries reached a consensus on their obligations and notified the IAEA in some detail of their interpretation of their obligations. Subsequently a number of bilateral discussions have been initiated by Canada to examine the question of safeguards in great detail. It is my understanding that there have been diplomatic discussions of a sensitive nature and in such cases it is up to the participants, if they so wish, to outline their role and policy.

Since Canada is a founding member of the NPT we, in conjunction with all other non-nuclear weapon state members, have IAEA safeguards applied to all of our nuclear facilities. Our position is fully consistent with the developed consensus that restricts transfers of certain equipment, materials, and technology to those countries from which we have formal governmental assurances which exclude uses which would result in the production of any nuclear explosive device. These transfers would also trigger the application of the safeguards system of the IAEA, and their retransfer to any third country could only be done on the basis of the consent of the Government of Canada.

These safeguards also apply to items covered for their useful life as well as the subsequent generation of any nuclear material which might be produced. Agreements are in place to deal with provisions for mutual concurrence on the arrangements which a recipient might wish to reprocess, store, use, transfer or retransfer any plutonium or highly enriched uranium that is covered. Standards of physical security are covered. Canadian policy is also progressive in its promotion of other international co-operative means for non-proliferation such as internationally controlled regional fuel centres.

These are policies in effect and which are shared by other supplier countries concerned about the problem. What we have seen develop is a consensus expressed in unilateral form by a number of countries to accept certain safeguard principles in all cases of nuclear exports to non-nuclear weapons states.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. May I ask if the House would be willing to consider the suggestion made by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) that this bill retain its position or, if it cannot be at the top of the list, at least that it stay as No. 5 under Public Bills so that further discussion can be had at a later date?

Mr. Goodale: Mr. Speaker, although I did not hear the original remark by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), our general inclination would be to deal with this matter in the normal course. It is of course a subject of great public importance, but we expect the subject matter can again come before the House of Commons in a variety of ways. I think we should deal with it in that fashion.

Mr. Knowles (Winnipeg North Centre): In other words, the hon. member is saying no.

The Acting Speaker (Mr. Ethier): There is no unanimous consent. The hour for private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND THE CUSTOMS TARIFF

The House resumed consideration of the motion of Mr. Macdonald (Rosedale) that Bill C-15, to amend the Customs Tariff, be read the second time and referred to the Committee of the Whole.

Mr. Deputy Speaker: Order, the hon. member for Hastings has the floor.

Mr. J. R. Ellis (Hastings): Mr. Speaker, when the hour for the consideration of private members' business arrived I had just completed a discourse on the problems relating to the lack of government intervention in the tariff field and other fields in respect of certain industries in and around Hastings county.

For a moment I wish to talk about another industry which is hard-pressed throughout Canada at the present time. In my area there are a number of textile related industries, manufacturers of clothing. The Department of Industry, Trade and Commerce does not appear to be taking any action in this area under its new minister from Quebec despite the fact that there are some 200,000 jobs in Quebec in this industry; actually almost one out of every four working people is engaged in this industry. There would seem to be a lack of good will on the part of the government which has trading agreements with some of the underdeveloped countries where wages are less than 10 per cent of those in Canada. We have the highest wages in the world in this particular industry, and at the same time are faced with lack of interest on the part of the government in this particular field.

The parliamentary secretary says that it is difficult to get everybody to agree, and I admit that. It is not easy to deal with all the countries that manufacture reactors and sell uranium. I hope the time will come when we will get this kind of international co-operation. However, I submit that we ought not to hide behind the fact that we have not been able to get all of the nuclear countries to act in concert.

There is an old saying which goes like this: "I can't do everything, but I can do something, and what I can do, by God's grace I will do". I plead with the government and the members of the House to face up to this moral issue, to let this bill go to committee, and to let the members of the committee discuss this question to see whether it is not possible, either in the terms of this bill or in an amended bill, to put on the statute books of Canada the kind of binding safeguards which, in so far as it is legally possible, will prevent reactors that we sell to other countries from being used for the ultimate destruction of mankind.

Mr. Maurice Foster (Algoma): Mr. Speaker, I agree with the hon. member for Don Valley (Mr. Gillies) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) that this is indeed a very important matter which the government takes very seriously, that of nuclear proliferation in the world.

It seems to me that many of the objectives outlined in clause 3 of the hon. member's bill have already been satisfied. He proposes that our exports meet the minimum criteria of the International Atomic Energy Authority. Of course that is so. Clause 3(2) refers to the re-export of spent fuel rods and would prohibit the use of fuel which has gone through a Canadian reactor to be further processed. These are the standard requirements of our export agreements at the present time under the International Atomic Energy Authority, the NPT and, of course, the nuclear suppliers group. Such objectives are applauded and encouraged by all Canadians because they naturally want to ensure that our technology, our reactors, and uranium fuel are used for peaceful purposes.

The bill proposes that we bring before parliament every agreement regarding the sale of nuclear technology, nuclear fuel, and nuclear equipment. It seems to me there would be many practical problems in doing this. Think of what is involved if every box of valves which could be used in a nuclear reactor, every agreement for the sale of every kind of equipment used in reactors, or every agreement for the sale of uranium had to be brought before parliament for consideration.

Under our traditional parliamentary practice treaties have been executed by the executive branch, the governor in council. Under our British parliamentary traditions it has not been the practice to bring treaties before parliament for ratification, such as they do in the United States and in other jurisdictions.

● (1750)

The hon. member for Nanaimo-Cowichan-The Islands suggested that the treaties which we have now, the International Atomic Energy Agency agreement, the NPT, and the nuclear suppliers' arrangements and safeguards are completely meaningless. The hon. member is very eloquent and capable of very descriptive language, but surely he goes beyond all reason in saying that the safeguard arrangements which we have in the world are completely meaningless. Ever since the beginning of the nuclear age, Canada has been dedicated to a role of peaceful purposes for its technology, reactors, and uranium fuel.

A great deal of the public discussion continues to display a profound lack of knowledge and comprehension of the complexity of the problem of non-proliferation, of the important and far-reaching efforts deployed internationally to solve this problem effectively and of the vast progress achieved in recent years. I feel quite strongly that if this parliament, through some fault of its own were to enact the views expressed by the opposition, this could well be harmful to the active and effective pursuit of an international consensus on safeguards.

I should like to recall that during the debate on nuclear exports last March the then Secretary of State for External Affairs explained at length the pre-occupations of the government in steering a course that permits reaping the full economic benefits of nuclear power while preventing nuclear weapons' proliferation. However, I feel it important to elaborate on these issues and repeat, if necessary, some of the basic principles which have produced a Canadian safeguards policy which is the most stringent and demanding in the world today; principles which have given Canada leadership for safeguards in international meetings.

First, it must be emphasized that national and international safeguards standards have never been static. They have been in continual evolution since the first nuclear co-operation agreements were entered into in the early 1950's, and have developed steadily through innovations made by Canada and other suppliers, through elaborate and detailed consultations, and through international commitments such as the NPT and the consensus among suppliers reached at London last year. Present day levels of safeguards represent the degree of stringency which the major nuclear powers are prepared to enforce. But these are not static either. They represent a threshold from which further progress will hopefully be achieved.

The development to today's high standards has been difficult. The establishment of the International Atomic Energy Agency in 1956 was the initial step to promote multilateral safeguards régimes. At first early safeguards were primarily applied to small isolated reactors rather than to interconnected facilities. This initial system of the Agency was then further defined and extended in 1965, 1966 and 1968. Here the safeguards system was again oriented to individual facilities rather than to the fuel cycle as a whole, but each facility bears the full weight of safeguards.

Then in 1970 international consciousness had developed sufficiently to culminate in the achievement of the Non-Proliferation Treaty. Under this agreement safeguards took on specific technical objectives as opposed to the generalized statements of "peaceful purposes" which were embodied in

possible safeguards so that the people of Canada can sell a CANDU reactor in good conscience and with complete assurance that it will not be used for warlike purposes.

It is true, as the parliamentary secretary has said, that the government has attempted to impose safeguards. But in the main those safeguards are meaningless; they represent nothing more nor less than an exchange of opinion accompanied by no sanctions, no arrangements to enforce them or take retaliatory action if commitments are not kept. I believe the legislation before us would help tighten the safeguards. It is true that the only answer, ultimately, is an international agreement under the United Nations, or an international agreement signed by all the nuclear countries so that sanctions could be imposed; those who sell nuclear reactors and nuclear technology could immediately impose sanctions against any country which broke its commitments. However, if such an agreement is impossible at the present time, the legislation proposed by the hon. member for Don Valley is surely far superior to anything the government has suggested or done.

This legislation would require that any agreement signed with countries securing a nuclear reactor would involve, on their part, compliance with the latest criteria established by the International Atomic Energy Authority. I myself would go much further. I should like to see a receiving country required to sign and ratify the non-proliferation treaty.

This legislation would require that in any agreement between Canada and a purchasing country the receiving country would agree to Canada controlling the disposition of the radiation wastes—it could bring them to this country or take whatever action it wished. Moreover, the recipient country should not be able to re-export any of the nuclear technology or nuclear fuel, and would be forbidden to acquire a reprocessing plant. This is the nub of the whole question, Mr. Speaker.

Countries such as Argentina, South Korea, Pakistan—and now Brazil—have all been negotiating with France or with West Germany for the purchase of a reprocessing plant, and it has been said many times in this House that there can be no purpose whatsoever in acquiring a reprocessing plant except to extract plutonium, enabling the nation concerned to manufacture nuclear bombs.

The legislation which has been put forward forbids the purchasing country itself to construct a reprocessing plant and use the nuclear waste from the reactor. I might add that it is not difficult to construct a reprocessing plant. Scientists in India have themselves built a reprocessing plant. As the former secretary of state for external affairs admitted in the House, Argentina has already built a small reprocessing plant which it says is for experimental purposes only.

● (1740)

I think the most important part of this proposed bill is that it would require the government, prior to signing an agreement for the sale of a nuclear reactor, to table the documents in the House, to send the matter to a committee of the House of Commons and Senate, which must report to the House within 20 days so that the House would have an opportunity by vote to agree with or reject the proposed agreement.

The parliamentary secretary has put forward two objections to such an arrangement. First of all, he says that the matter of entering into treaties comes within the royal prerogative. I would remind him, first of all, that a declaration of war comes within the royal prerogative. Way back in the twenties the Right Hon. Mackenzie King himself pledged that no Liberal government would declare war on its own, that any declaration of war would have to come from parliament, and he carried out that pledge in 1939. Surely this is equally important. Such an agreement could precipitate war in some part of the world. The signing of an agreement to sell a CANDU reactor to some other country, particularly an unstable country in a troubled area of the world, is equally important and ought to be submitted to parliament.

I know the old nineteenth century argument that the executive has the right to make treaties and that, if the House of Commons does not agree, it can vote no confidence. Well, with the majority that this government has and which many governments have had and others may have in the future, that is no safeguard.

The other argument is that the voters can reject them at the next election. It will not be much protection for humanity, Mr. Speaker, after you have sold a nuclear reactor and you find the recipient has used it for warlike purposes, to ask the electorate then to deal with the government. The damage has been done.

I was amazed at the final argument that was put up by the parliamentary secretary. He said that if we had to delay the sale of a nuclear reactor until parliament dealt with the matter, it would damage our credibility and—I took down his words—"we would lose trade advantages". I repeat, Mr. Speaker, "we would lose trade advantages". If the parliamentary secretary is speaking for the government, the government should be ashamed to say that trade advantages are more important than having the elected representatives of the people given an opportunity to say whether or not Canada should place in the hands of another country the power to devastate their countryside and possibly to precipitate a nuclear war.

A nuclear war, Mr. Speaker, is not like a conventional war. Conventional wars have laid waste countries, and devastated cities. But a nuclear war has given man the capacity to destroy all life on this planet and to leave it a burnt out cinder revolving in space. Surely on a moral issue as vital as this the government is not going to refuse the elected representatives of the people a voice in determining whether or not such a formidable and important step should be taken by the Government of Canada.

I say with great seriousness to members of this House that this is not a question which should be dealt with on any political basis. I assume that members in all parts of the House have a deep social conscience as to what we as Canadians are doing with this terrible power which has been placed in our hands.

NPT to share with countries signatories to the treaty the results of its activity in the field of nuclear energy to contribute to the fast development of that form of energy, not only in developing countries but also in advanced countries whose traditional energy resources are being depleted. If our country does not meet its international commitment, it could certainly create a disenchantment concerning the NPT that could have the unfortunate effect of encouraging many countries to withdraw from the agreement while some others could abandon any plan to join.

Lastly, Mr. Speaker, I shall mention the leading role played by our country in the north-south dialogue in which we try, with many countries, to find answers to get through that difficult transition period in the energy field. Since the traditional supply sources are being depleted or becoming less accessible at the same time as we are getting through a crisis caused by an unprecedented increase in oil prices, we should try to find such answers to contribute to the balance of the world economy. Nuclear energy is still a vital alternative that must play an important part in this transition period by relieving the international tension and offering a fair choice to the poorer countries. At the same time, the use of nuclear energy by advanced countries reduces the use of oil and is beneficial to developing countries which lack the resources required to be valuable competitors on the international oil market.

Mr. Speaker, those are additionnal details about our international commitments which I wanted to set out on the occasion of the introduction of Bill C-205 by the hon. member for Don Valley (Mr. Gillies), and which I wanted to submit to the consideration of this House. These additional details complement numerous others put forward to underline the necessity to shoulder our responsibilities not only towards Parliament but also on an international level where we have a part to play and commitments to fulfil.

Mr. Speaker, as long as we do not have any worthwhile alternative to this precious source of energy that nuclear energy is, we will not be able to prevent the international community from gaining accesss to it. On the contrary, we must go on working to introduce still more efficient controls and prevent the transmission of material and equipment considered as critical. Surely this government's policy is not unalterable in matters of nuclear exports, as evidenced by some recent decisions like the end of our cooperation program with India.

My time is up, Mr. Speaker. I would have other remarks to add, but I want to give other hon. members the opportunity to express themselves.

[*English*]

● (1730)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I rise for the purpose of giving my wholehearted support to Bill C-205 and to commend the hon. member for Don Valley (Mr. Gillies) for having introduced it.

[Mr. Leblanc (Laurier).]

The whole question of the proliferation of nuclear weapons is not a matter which ought to be dealt with lightly. There ought to be no gamesmanship to talk this bill out so that we do not have to consider it again this session. I hope all parties will agree to give unanimous consent so that if this bill is not dealt with by six o'clock it will be set at the head of the list again in order that it may be referred to a committee of the House where it can be studied further, and from which it would be reported back to us. I make this suggestion in the belief that the matters raised in the bill before us constitute the greatest moral issue of our time.

In the past 50 years science has made more advances than were made by mankind in all the previous thousands of years in which man has inhabited this planet. The progress of science has been so rapid that social ethics and public morality have not had an opportunity to bring to bear upon the results of research the type of restraint which is necessary if man is to survive.

The two men who were the leading figures in splitting the atom, Dr. Albert Einstein and Dr. David Oppenheimer, were tremendously perturbed that this devastating power which they had placed in the hands of the people of the world might be used for destructive purposes. Thirty years ago only the United States possessed this atomic capacity. Later, the Soviet Union acquired it. As long as the two superpowers maintained a balance of terror we had some feeling of safety. Today, however, nuclear capacity has been extended to nation after nation and all the indications are that yet more nations are acquiring the capacity to produce nuclear weapons.

Canada has a major responsibility in this area because, through the work of our scientists, we have produced the CANDU reactor—and for this they deserve credit; it is probably one of the safest reactors. But it is also the reactor from which it is easiest to make use of the radiation wastes for the extraction of plutonium from which nuclear bombs can be made.

I was surprised to hear the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Leblanc) say that only one or two countries had tricked us. That is the point of the legislation we are considering. We only need one or two countries to trick us. As a matter of fact, every time a country tricks us and uses the CANDU reactor to produce plutonium and nuclear weapons, it stimulates its neighbour to do likewise. We already have the example of India which used the reactor to produce an explosive device, a course of action which has encouraged Pakistan to do likewise. The fact that we are selling a reactor to Argentina has set Brazil in that country's footsteps. This process of proliferation is going on at an alarming rate.

The parliamentary secretary has put forward an argument which the former secretary of state for external affairs regularly advanced, namely, that Canada has a responsiblity to ensure that the scientific know-how which we have acquired is shared with less developed countries. I believe we do have such a responsibility but I claim equally that the developing countries also have a responsibility, which is to accept the tightest

ments we are negotiating with other countries. Such a process would jeopardize not only our international credibility but also the resulting commercial advantages of such a sale, treaty or contract.

In this field, as in many others, the executive power must be able to assume its responsibilities by retaining the initiative of its negotiations with regard to nuclear exports. Needless to say, that initiative is conditional upon certain criteria which, in the last few years, as all hon. members know, the present government made it its duty to elaborate with a view to preventing the proliferation of nuclear arms, which threat must command the utmost awareness and which, because of the importance it is given, on a daily basis must hold the complete attention of those who are responsible for formulating that policy.

Indeed, because we are aware of the extreme importance we must give our nuclear policy, the former Minister of External Affairs, the Hon. Allan MacEachen, endeavoured to explain to the House, during the debate on March 23 last, the guidelines of our policy as well as its inherent characteristics.

Allow me, Mr. Speaker, to refer to that debate since it gives an account, in clear and specific terms, of just how concerned this government is about checking the proliferation of nuclear arms while allowing those developing countries, that have the infrastructure and the guarantees of security required for cooperative agreements in that field, to have access to the technology we are in a position to supply them. I have no intention of reviewing the agreements put forward over the years in this regard, but I would like to remind you that the government has the duty of assuming its responsibilities in such a way as to make sure that we participate actively in the economic development of those countries—those with which we deal—while at the same time respecting our international responsibilities to avoid nuclear arms proliferation. It is certainly not by staying aside and burying our heads in the sand that we will finally help efficiently reduce nuclear proliferation after considerable investments were made to develop a nuclear technology which, despite its risks, solves, in an adequate and economical way, the crucial problems we are facing.

● (1720)

We must pursue our endeavours to establish additional mechanisms to ensure the peaceful use of this new source of energy, and I think the hon. member for Don Valley (Mr. Gillies) raised the problem with Bill C-205 because it seems that occasionally some countries do not always make a peaceful use of the products we export, in opposition to the agreements we made with them.

I suggest that it is a challenge we have to take up, which the present government did with great success—I say this in spite of the little experience I have gathered in this area up to date, I must confess—since our nuclear technology remains accessible to those who express a legitimate need to purchase it and the will to accept some safeguards and conditions which rule out any possibility of nuclear explosion or other forbidden uses. It is because we are convinced that the NPT is still the best way to fight against nuclear proliferation that we decided to be more active, in order to complete the adherence to the treaty of the fifteen-odd larger countries which are not yet signatories to it.

An eventual decision by Canada to end its sales of nuclear reactors would surely remove a major factor in the foreign policy of Canada at a time when our country is considered as playing an active role in such a delicate sector. We will never insist enough on the fact that proliferation can be prevented or at least reduced as a long term danger only through coordinated and constant action by the various supplier countries and their customers. We must realize that we are not the only country which supplies nuclear materials and we do not have all the customers in the world; other countries are clients or suppliers.

Now unless there is complete and total agreement among all those countries, it is rather difficult, as I said, to reduce the long term danger. Withdrawal of Canada from the international market would only remove the influence and the role which we have played up to now not only in restricting the danger of proliferation but also in being party to drafting more effective international safeguards. It is with that mind that Canada has lately made increased efforts to set more rigorous standards in such key sectors as reprocessing, recycling, storing, selling or reselling plutonium as well as enriched uranium. Nobody ignores that as a country exporting nuclear reactors Canada has been in a position up to now to contribute to the development of solutions in those sectors, which solutions have gone a long way, in my opinion, toward clarifying the situation and lessening international stress.

I am quite delighted in that respect at the recent statements of France's Higher Council for Foreign Nuclear Policy and at the indications given in American newspapers as to the future direction of the American nuclear policy which show more restrictive policy as far as exports are concerned while insisting on the necessity of a common and coordinated rather than unilateral approach to the problems of proliferation. Of course we are encouraged by these signs which are, in several cases, similar to criteria already included in the Canadian nuclear policy and which are consistent with principles of the utmost importance for us in Canada.

Such an initiative in countries among the more active in the nuclear field can only encourage us to continue our action. On the other side, we can only recall that on another occasion, the adoption of much stricter safeguards in the nuclear policy endorsed by the government in December 74, our action was also exemplary since it encouraged the group of supplier countries known as the London Club to adopt guidelines similar to ours in 1975. During the same period we have witnessed the development of existing international consultation mechanisms and a greater cooperation to encourage supplier countries to control more efficiently their radioactive material reprocessing plants by looking for practical arrangements concerning the management of plutonium.

I shall also remind hon. members that Canada has also committed itself, according to the terms of clause 4.2 of the

In addition, the bill requires that all safeguard agreements be permanent and, most importantly, that every safeguard agreement signed by the government of Canada comes to parliament for ratification before it is signed. Any proposed agreement would have to be submitted 25 sitting days before the intended date of signature to a joint committee of the House of Commons and the Senate. That committee would have to report back to the House, and within 20 days that agreement would have to be called for debate in the House, and within five days after being called it would have to be put to a vote.

Surely, it is the responsibility of every member of parliament to be concerned about this matter. Surely, it is common sense for something which is so important to the future of mankind to be debated in our House of Commons. Even in the United States, where there is a complete separation of the legislative and administrative functions, legislation has been passed so that there has to be positive affirmation on the part of Congress before there can be an export of nuclear technology. Surely, we cannot accept the proposition that we must make this nuclear technology available to less developed countries immediately in order to help their development. It defies logic to suggest that it is more important for an underdeveloped country to have a nuclear potentiality today—even though we do not have the necessary safeguards—than it is to wait until such safeguards can be developed in an effective fashion. Indeed, the argument that we are only selling to less developed countries is strange in the extreme when we talk about exporting to Japan and had negotiations with Iran about nuclear reactors.

It is argued that if we do not make nuclear technology available, other countries will. But surely that cannot be the issue. On something as important as the risk of weapons being developed by other countries, we cannot decide the issue on the basis of commercial considerations. It is a moral question. All that Canada brings to the field of international negotiations is its moral position and surely Canada has the moral responsibility of slowing down the possible spread of nuclear weaponry.

If one wants to use the commercial argument, there is need for power development in this country. We can use all the nuclear reactors we can build and all the heavy water we can produce domestically. However, aside from that, it is wrong for Canada to be involved in the export of nuclear reactors when we know that the product of reactors can be used—because it has been used in India—for the development of atomic weapons.

I urge everyone in this House to allow this bill to go forward—and not to talk it out—so that years from now every member of parliament can say that when he or she was called on the issue of what Canada should do about the spread of nuclear potentiality, he or she had an opportunity in the House of Commons or in the Senate to vote on it.

[Mr. Gillies.]

• (1710)

[*Translation*]

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I must say first of all that it is the first time that I have the honour and the pleasure, since my appointment as Parliamentary Secretary to the Secretary of State for External Affairs, to take part in a debate in this House about the responsibilities of that department. I also wish to commend the hon. member for Don Valley (Mr. Gillies) for introducing Bill C-205. Of course, I agree with many points raised by the hon. member who took it upon him self to introduce such an important bill.

However, before taking a definite stand on the bill, I do not think we should, as a government, impute motives to those countries we deal with in that area. It may have happened on one or two occasions that some countries played dirty tricks on us following a sale. But I do not think that principle applies generally to all the countries we deal with. I feel it is also important, Mr. Speaker, to remind this House of a few highlights of the Canadian nuclear policy and to express my views on the constitutional question as to the necessity of securing parliamentary ratification, and I refer to section 5 of Bill C-205, for the export of nuclear fuels, equipment and technology.

As hon. members know, it is not customary for this House to seek parliamentary approval in order to ratify a treaty or to commit this country through international agreement or treaty. In Canada, and the hon. member for Don Valley knows it better than I do, the constitutional authority to enter into arrangements such as treaties is part of the royal prerogative commonly exercised by the governor in council. Such ratification is therefore incumbent upon the executive. However, this government has always made it a point, and I want to emphasize this, to distribute to the hon. members any important documents related to nuclear exports. Besides, it is in this spirit that on January 30 last, the executive tabled copies of the nuclear co-operation agreements with the Republic of Korea and the Republic of Argentina. It is in this same spirit of cooperation that we have tabled the statements concerning Canadian policy on safeguards to clear the matter and provide hon. members with important and necessary information about government action in this field and to supply them with all the data which, in our own view at least, are relevant to those agreements and policies.

Furthermore, hon. members—in particular the hon. member for Don Valley (Mr. Gillies)—have doubtless realized, upon reading those various papers, that several prerequisites such as financial conditions, safeguards and some more comprehensive ones of a commercial order must be met at the same time to enable us to arrive at a consent confirming their acceptance. I do not see how we could act efficiently if we had, after all those conditions have been fulfilled, to wait again for several months for Parliament's approval. We all know that it sometimes takes a long time for a bill to be passed in the House. Sometimes we have to wait several months for Parliament's agreement before signing those business contracts and agree-

[*English*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

NUCLEAR ENERGY ACT (EXPORT SALES)

MEASURE RESPECTING MANUFACTURE OF NUCLEAR WEAPONS

The Acting Speaker (Mr. Ethier): Order No. 1, in the name of the hon. member for Lotbinière (Mr. Fortin). Shall the order stand, at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Order No. 2, in the name of the hon. member for Winnipeg North Centre (Mr. Knowles). Shall the order stand at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Order No. 3, in the name of the hon. member for Capilano (Mr. Huntington). Shall the order stand, at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Order No. 4, in the name of the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). Shall the order stand, at the request of the government?

Some hon. Members: Agreed.

• (1700)

Mr. James Gillies (Don Valley) moved that Bill C-205, respecting the parliamentary ratification of the export abroad of nuclear fuels, equipment and technology, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, I think everyone on all sides of the House of Commons would agree that there is no more pressing matter facing all mankind than the capability of various nations to develop nuclear weaponry which has the capacity of destroying all mankind. The existence of this capability has grown tremendously during the last two decades. Immediately and for a decade after world war II only a few nations possessed the capability of destroying the world with nuclear bombs, and the balance of power at that time made the possibility of such destruction taking place reasonably slight, but today, as the Stockholm Peace Institute has reported, 35 countries will have nuclear weaponry by 1985. The institute reports, further, that with 35 countries having the capability of exploding nuclear weapons, the possibility of maintaining peace, and indeed the world, until the end of the twentieth century is slight indeed.

It seems to me that it is unfortunate that Canada has become one of the nations which is in the forefront of the spread of nuclear technology throughout the world by pressing the sale of our nuclear reactors to various countries. We know all too well what happens when we sell these nuclear materials without appropriate safeguards. In our sale of nuclear devices we have been, essentially, double-crossed by India, which is now one of the dictatorships of the world. We know that unless there are appropriate safeguards it is almost certain that some of our nuclear reactors will be used for other than peaceful purposes.

I was astonished to read in the newspapers today that it is hoped that one of the things which will come out of the trip of the Prime Minister (Mr. Trudeau) to Japan is an opportunity to sell more nuclear reactors to that country and to thereby contribute to the possibility of power struggles in the Far East. We have supplied a reactor to Argentina, one of the most unstable countries in the world, and while I want to debate this point as a moral issue and not as a commercial one, it is interesting to note that we not only supplied a reactor to Argentina but we did it at enormous cost to Canadian taxpayers. We are supplying reactors to Korea, a country which spends more dollars per capita on weaponry than any other country in the world. We know that the safeguards on the export of nuclear technology are not adequate. In the report issued by the Atomic Energy Commission it is stated that the safeguards are not adequate at the present time. Therefore, it seems to me to be common sense, if nothing else, that every member of parliament should be concerned about what has to be one of the most important issues in the world today.

The bill I introduced, and for which I ask the support of all hon. members, proposes—and I do not see how anyone can oppose this—that Canada not sell nuclear devices, as defined in the bill, nuclear reactors, technology and fuels, to any country which does not sign the safeguards agreement of the International Atomic Energy Agency. Second, the bill calls for the return, if appropriate, of spent fuel from the reactors to Canada. This is the only true safeguard in the control of the use of nuclear reactors at the present time. The bill would forbid the re-export of any technology, equipment or fuel from a country which buys them from us, and it would prohibit the importing country which buys a nuclear reactor from us from acquiring a reprocessing plant, so that it cannot take the material which comes from our reactors and reprocess it into a fuel which can be used for a weapon.

One of the issues of debate today is the fact that France is trying to sell to Pakistan a reprocessing plant. There is no reason in the world for any country to buy a reprocessing plant if it does not want to get involved in the weaponry business. That is what a reprocessing plant is all about. We should not allow our reactors to go to a country in which there is any possibility that a reprocessing plant will be acquired.

● (1650)

Some comments have been made this afternoon by various members who have preceded me on the question of perhaps never needing tariffs, the controversy of free trade versus fair trade. I should like to think that in many instances we do not want tariff protection, and shortly I will dwell on a few of those instances. But in fact industry in Canada is about one-tenth the size of industry in the United States, obviously because the population, the community to which we sell our goods, is one-tenth the size of that in the United States. Unfortunately, however, in many of the industries, and a few in my own riding, the unions have brought the rates and the benefits which they are claiming up to well above their U.S. counterparts. As a consequence, their ability to compete is drastically hindered.

I should like to make a point regarding the small community in the southeast portion of my riding which until about two years ago had produced a very fine product. They sold it in Canada reasonably competitively, but when the market in this product depressed in the United States, the major American producers merely had to slough off about 10 per cent of the surplus production to completely dominate the Canadian market at a price with which the Canadian producer in my riding could not compete. There was no protection. This factory was particularly efficient for its size. It was relatively new, it turned out a good product; but without protection it was unable to compete in the depressed market.

The effect of taking away some 325 jobs in a small community of about 1,500 souls in total was devastating. It has been quite a while since we have had such a blow. But the federal government would not protect the industry, and when the industry finally closed its doors and people were out of work, the Department of Regional Economic Expansion would not assist in any way because they said unemployment was not high enough. I do not know how high it has to go in a small community before they are prepared to intervene.

Let me say, in passing—and I am not in particular trying to blow my own horn—that we were successful. I was instrumental in bringing a new industry to the vacant factory. They are not going to have as many men as were there before. This new industry is part of a large international industry. They will be able to compete. The government of Ontario saw fit to help them with $500,000—but, once again, DREE was not prepared to help. Fortunately, their product is one which comes under the auto pact and they will not need the tariff protection which the previous tenants had. The only help we got from the federal government is that which you get when you start any plant under Canada Manpower in support of the initial salaries of employees.

The problem of getting a plant like that started brings up another point to which I would like briefly to refer in passing. In the throne speech, a great to-do was made about the Federal Business Development Bank. It is the same thing as the Industrial Development Bank, the same bird, the same feathers—and, frankly, it will produce the same kind of fertilizer as the IDB. With their usurious rates, their unreasonable collateral requirements, and their shameless loss record, they do nothing to encourage Canadian industry. A few years ago I spent a good deal of time going into that matter in some detail, and I do not intend to do so now.

Closer to my own home, right in the city in which I live, is an industry that for many years has been competitive in the market. About two years ago they brought to my attention a problem they were having with the Department of Finance. They pointed out that one of the major products which they use could be brought in from France and Italy at a lower price than they could produce the product in Belleville, simply because of the taxes that were applied to the product made in the Belleville plant. I took this matter up with the then minister of finance and, suffice it to say, since then I have a file many inches thick. In effect, the department has acknowledged that there is a problem and that sooner or later they will do something about it. I hope they will do it soon because that plant has announced they are closing their doors, which they will do in December of this year, at which time they will lay off some hundreds of employees. They will start to package their product in a much smaller warehousing operation in Belleville.

While it is not entirely the result of this tax problem, in my opinion the correcting of the tax problem expeditiously would have prevented them from taking action for the time being. Once again, in 1967-68 they were assisted by the provincial government when they were having some problems, and they fulfilled their responsibilities to the provincial government and were kept running for another seven or eight years. That extra employment in a small community the size of Belleville, which numbers some 35,000 people, is worth-while.

These are some of the things that the new minister faces. Since I have left ten more minutes of my time, Mr. Speaker, and it is nearly five o'clock, I would like to call it five o'clock and continue after dinner.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Dartmouth-Halifax East (Mr. Forrester) —Industry—Reduction in work allotted Nova Scotia aerospace companies under Aurora program; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Manpower—Local Initiatives Program—Request for extra funds for Cape Breton area; the hon. member for Vaudreuil (Mr. Herbert)—Canadian Broadcasting Corporation—Allegation of bias in programming—Suggested investigation.

A deficiency payment program of $11 million to $12 million brings total returns well within the level of the previous year and fully meets the intent of the act.

The intent of the act had to be changed if it fully met that. The minister talked about bringing it to the level of the previous year. However, production was away down the previous year, and then up the next year. We can talk about dollar values, tons or pounds. The dollar value was similar, on a much higher production: the reason was competitive prices in another country, and imports into Canada.

● (1640)

So far as apples are concerned, about five years ago we had a balance of trade with about one million bushels going each way. Today, two or three times as many apples have been coming into Canada. This is what we must compete with. It might be said that much of this is caused by the higher wages paid in Canada, or because of the higher interest rates. If this is the case, and we have higher wages and higher interest rates, and therefore higher costs in Canada, the government has a great obligation. We hear about border crossings in respect of food, especially along the border of British Columbia. I suspect this situation exists all across Canada. I am sure it exists in Ontario, except that the news people are not watching the situation as closely there. Certainly, the situation exists in British Columbia. Can we have it both ways? Can we expect to have higher wages and take this money out of the economy and buy our food more cheaply across the border? Surely people will do this. People are built this way, and this is what they will do.

The government, however, has an obligation. It was here when the situation was created. The government allowed this to happen and has an obligation to do something about it. The fruit farmers in the Okanagan tell me that they can grow fruit as cheaply as anyone. They have to pay more for spray. They go across the border and bring it in, in order to become competitive.

There is another area where they cannot do this. I refer to the matter of water for irrigation purposes. The producers in Washington state, in the United States, use pretty well the same water we use, except that we must pay more for it because we have had the expense of putting in the dams and the systems to hold it back in the hills, and they pick it up when it is down in the mainstream. Because of this, the Americans do not have the same expense that we have. We can go across the line and bring in equipment duty-free, if someone will sell it to us. They do not want to guarantee it when it is to be brought in here. There are problems in respect of parts, and so on. But we can compete and grow products just as cheaply, even in the face of many of these barriers. But after the products leave the farm gate there are many added costs such as those I mentioned in respect of transportation and higher rail costs.

The farmer does not want a stabilization program. If rail costs are higher in Canada, and if the railways have decided they will take all that the traffic will bear, stabilization should be placed on them and not on the backs of the farmers at the farm gate.

I say to you, Mr. Speaker, and to this House that the time for action is here. We cannot carry on in this manner. I do not think we will need $350 million worth of make-work programs. It is said that part of this money is to come from the UIC. The UIC is in a deficit position. How can the government get anything from the UIC? We need healthy farm, textile and manufacturing industries in Canada in order to create jobs for Canadians. Let the market go to work and let the manufacturers go to work creating jobs. If the government wishes to spend $350 million, it should spend it to help put our trade in the right perspective. It should not put people out of work and processors and manufacturers out of business. We should put them in business. I welcome the fact that this bill is to go to the committee state, where we will be able to debate it further.

Mr. J. R. Ellis (Hastings): Mr. Speaker, I, also, intend to intervene briefly in respect of Bill C-15, the Customs Tariff bill. I will attempt to limit my remarks so that I can close by five o'clock. At the outset I should like to take the opportunity, because I did not speak in the throne speech debate, to publicly express my congratulations to you, sir, in your new position. We will look forward to your wisdom and guidance from the chair, and I am confident that all members will respect your judgment.

Tariffs can usually be equated with protection. Had I spoken on the throne speech, I would have spent most of the time talking about the problems of small industry and other production facilities in the Hastings area which are in difficulty. This bill, however, gives me a much better platform from which to express these views. Also, had I spoken in the throne speech debate I would have had a few words to say about some of the members of the cabinet. I will, for the most part, limit my thoughts to the hon. member for Kamloops-Cariboo (Mr. Marchand) who has been appointed Secretary of State for some ambiguous purpose of assisting small industry.

It is very commendable that all of a sudden the government has realized that small industry has a place in Canada and that the people who work in small industry are taxpayers who would benefit from a strong, industrial community in Canada. I believe, however, that the minister will end up having the sympathy of most members of the House because, frankly, I am not at all sure what it is he is to do. True enough, the throne speech devoted a whole paragraph to the high regard in which the government holds small industry. It seems that the minister will be doing quite a bit of travelling. He is already on his way to Russia. Frankly, I do not think he will sell much over there. I am not sure what they could teach us in the way of free enterprise. In his new position, I think the new minister should attempt to obtain some co-operation. It seems to me he could co-ordinate some of the awkward functions of the Department of Industry, Trade and Commerce, the Department of Revenue, the Department of Regional Economic Affairs, and last, but not least, certainly the Department of Finance. If he did this, he would really be doing something.

asked what we expected to trade to Japan, what they needed from us, the answer was, "CANDU reactors and STOL aircraft". I do not think we need to trade-off our natural resources in this manner. I do not think the Canadian people believe we have to, either. We do not have to be soft in our trading with other countries which need our natural resources. It is because they are necessities to they them that we can be hard.

Duties and tariff policies in Canada have not kept pace with inflationary tendencies, and to further aggravate the problem there have been two duty reductions in the past four years on virtually all food items. Let me put on the record some examples of Canada's cheap food policy. In 1975 this country imported 83 per cent more dairy products than in 1973. Likewise, in 1975 Canada imported 370 per cent more berries than in 1973. Some 58 per cent more apples were imported in 1975 than in 1973, 200 per cent more honey, 74 per cent more jams, 294 per cent more chicken, 33 per cent more canned ham, and 1,086 per cent more tobacco, though only a few us eat tobacco.

In 1974, Canada imported five million pounds of chicken from the United States, which amounted to less than one-tenth of 1 per cent of Canadian production. In the same year, 1974, this country exported 12 million pounds of chicken to Cuba. However, in 1975 Canada had literally no exports of chicken—so hon. members can see just how fast we were kicked out of Cuba. Nevertheless, we imported over 12 million pounds from the United States, making an increase of nearly 250 per cent in the import figure. This year the trend has continued at an ever faster rate. Figures up to June, 1976, show that Canada has imported 22 million pounds of chicken from the United States. Year-end imports are estimated to be 50 million pounds, up 400 per cent over 1975 and equalling 7 per cent of Canada's total production.

This is the sort of thing being experienced by Canadian food processors today, Mr. Speaker. Food processors and canners in Canada are in very dire, desperate straits. They are going out of business because they cannot compete with imports of canned, processed products from other parts of the world. Last year, the big canning companies and some of the big chain stores sent their labels to Australia and the United States to be put on canned goods in those countries and sent back to Canada.

● (1630)

As far as the manufacturing was concerned, the only job that we in Canada got was the labels. Possibly that was because of the bilingual requirement on labels. That could not be done there, so it was necessary to have it done here. Just think of the number of people in Canada being put out of work as a result of this. What is happening in the farm production area? This is the trend in Canada today. This government must accept responsibility for this trend. They have made it very easy to do this kind of thing. There is no real farm policy or food policy, only a cheap food policy. When these companies go out of business, we will be subject to the whims of other countries. We do not have the kinds of policies that would do anything in the event of a national emergency.

Fresh fruit and vegetables are another example of the bad position that producers are in across Canada. There are unnatural barriers in these areas as far as tariffs are concerned. Transportation cost on fruit coming from the Okanagan Valley to eastern Canada are as much as one cent a pound higher than the rates being paid by United States competitors. They have this one-cent a pound advantage even though part of their shipping is done on Canadian railroads. When the Minister of Transport (Mr. Lang) visited that area about a month ago, the producers asked him about this and the minister replied that if they could ship cheaper on American railways, that was the way they should do it. I submit that that is not a very good way for this government to be talking to producers in Canada.

Stripped potatoes coming into British Columbia have been affecting potato prices. These potatoes are stripped off crops in the United States. They are not put on the American market because that would upset their market price. Instead, they are sent to Canada, upsetting our market price. The Minister of Agriculture (Mr. Whelan) was asked about this. He replied that the government would stabilize prices. Our producers want to operate on a competitive basis. They do not want stabilization. However, they have had to accept stabilization because they do not get anything else from this government. Because of the cheap food policy, the producers must accept large hand-outs from the government. I wonder whether Canadians would not pay the price rather than have their tax dollars go toward stabilization. How long can we operate in this way?

It is time that we took a serious look at the automatic surcharge. This has been used in Canada before, but we seem to be araid of it. I believe the automatic surcharge would stop this kind of situation. When we stop to take a good look at the situation, we see that the consumer does not benefit. The consumer does not get the product any cheaper. The one who gets it cheaper is the person who brings it into Canada. By the time the consumer gets it, it is the same price as the top Canadian product. With these cheaper imports, the Canadian producer cannot sell without cutting his price down to that of the import price. However, the price to the consumer does not change. There are many examples of this. One occurred here in Ottawa last year. Even though the consumer had to pay a good price for apples, the producer received very little. This is what happens in the marketing system.

Stabilization is open to many abuses. All the producer wants is to get his money from the marketplace. Early last spring I asked the minister about Canadian apple producers having to pay higher transportation costs than their competitors in the United States. I pointed out that this was a trade barrier. The minister replied that if we could prove that, he would provide stabilization. Well, it was not hard to prove. However, when it came time to get stabilization for apples, the cabinet used the gimmick of limited production at both the top and the bottom. I wrote to the minister, and he replied:

make the statement that it could, if it wished, manufacture that product in Canada—although they have not done so and, in my opinion, do not intend to do so—will not do our own entrepreneurs any good.

These matters are undoubtedly very complicated, but it seems to me we have given the civil servants in the Customs Tariff branch a great deal of leeway for a long time, and that the average member of parliament ought now to look into this question and decide whether it is time for most of them to retire or else justify their existence.

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I welcome this opportunity to talk on the Customs Tariff bill. I should like to express my appreciation of the eloquent speech delivered by my hon. friend from Edmonton West (Mr. Lambert) on this subject. He set the tone for the debate which should be carried on with respect to this subject.

These are times in which many Canadian industries are facing serious hardship. The minister maintained, in the course of his speech, that the Customs Tariff left room for accommodation in cases of genuine hardship. But although we know that a lot of hardship is being experienced, we cannot find any use being made of this leeway, or whatever the minister had in mind. At the present time, a serious situation faces those engaged in the manufacture of textiles, shoes, mobile homes, boats, farm products, electronics and a number of other commodities.

I read in the newspaper the other day that the hon. member for Windsor West (Mr. Gray) was calling for a federal inquiry into the price of food in British Columbia. The hon. member for Windsor West was minister of consumer and corporate affairs at one time, and I would remind the House that this is a situation which has been developing over many years; it did not arise overnight. Moreover, it is not confined to British Columbia. I wonder why he is not calling for a federal inquiry into prices across Canada generally, including the price of hardware, chemicals and equipment where the cost of importation appears to be disproportionately high.

Let me take, as an example, the sprays we use in orchards in British Columbia. These are manufactured in the United States; they come up through the valleys of Washington into the valleys of British Columbia, and they are duty-free. A year ago it was impossible to buy them without paying 30 or 40 per cent more than the price just across the border. In other words, the border crossing, without duty, raised the price by between 30 and 40 per cent. This is not a tariff barrier, Mr. Speaker; it is a border barrier, one which is manufactured, nobody knows why. I know this to be the case because fruit growers in my area were crossing the line to buy their sprays in the United States: it was the only thing they could do if they were to remain competitive with fruit growers in that country.

Some might say that a situation of this kind is not the responsibility of the federal government. In my opinion, it is. Why does this sort of thing happen? Situations of this kind need to be investigated, as well as the high price of food, and I hope the hon. member for Windsor West will urge the government to broaden the inquiry he proposes and extend it to other areas. Indeed, he should have taken action along these lines when he was minister of consumer and corporate affairs.

As far as imports into Canada are concerned, the two industries most seriously affected are farming and textiles. Canada is the only country in the world which fails to protect farm products. We are aware of the great outcry among Canadians in favour of preserving our farmlands, the general feeling that no more of it should be paved over or otherwise destroyed. Yet that has been the response of government, especially the federal government? We are the only country in the world that does not protect farm products. How can we have one without the other? Many other countries of the world have goals for food production which are intended to maintain the level of production and guarantee a reasonable supply of a particular commodity in times of international emergency. We do not have any such thing and are trying to preserve farmland.

● (1620)

Other countries have tariffs and quotas and they also have trade barriers. I think the worst of these is the trade barrier. The hon. member for Timiskaming said that we should not close our border and make it easy to create a situation where we accommodate companies and industries that are not competitive and efficient. I agree with that. I do not think anyone is asking that our borders be closed so that we can accommodate inefficient industries, but what we do want is the same kind of deal that other countries have.

As far as trade barriers are concerned, I have made reference to a certain spray which is manufactured by another country. This is the sort of thing that happens in Canada, yet our government sits idly by and does absolutely nothing about it. Other countries have quotas to protect their farming industry. If their farming industry becomes endangered, they erect trade barriers, just as the Japanese have done against apples from British Columbia. They say these apples have codling moth and therefore they cannot accept them. We have proved beyond a shadow of doubt that their apples also have it, but it does not matter; they do not want our apples anyway. That is the kind of trade barrier they have erected. We do not do this sort of thing. Canada can rightly be described as a saint in a world of sinners. I say, let us have free trade. I think most Canadians are not against free trade so long as it is fair trade.

The hon. member for Timiskaming also said that if we had free trade in this world we could produce, manufacture and compete. I believe that is very much the case, but we cannot do so under the structure we have in the world today. We do not have fair trade, yet we are calling for free trade. Under this guise of free trade, Canada has a cheap food policy. We trade-off our raw materials and natural resources with another country in return for food and textiles, the basic commodities that we have in Canada. That is the kind of trade-back we get on almost every occasion when we want to sell a CANDU reactor or a STOL aircraft. The Prime Minister (Mr. Trudeau) has been in Japan on a trade mission, and when it was

schedules and rates are established and say, "These rates are sacred." It is almost as if the tariff structure were the unchanging Bible or Talmud of the Tariff Board.

I wish the Minister of Finance (Mr. Macdonald) would involve himself less with agriculture. It has been said that we turn to the Minister of Finance when the agricultural industry is in difficulty. I think international agriculture would be a lot better off if governments stayed out of the field, and I mean provincial, federal and other governments. All over the world governments are involved with agriculture. All over the world governments pay subsidies to agriculture. Every time a subsidy is paid, or one country's tariff is adjusted, the effects are felt in all other countries.

I agree with the Minister of Agriculture that, whether we like it or not, we are dealing in an international market and are affected by it. What the Australians do with their beef affects the market in the United States, Canada and even the Common Market. Beef sales affect the sale of pork, eggs and other protein foods. Therefore, changes in one part of the world in one commodity affect markets in many other countries in that same field. Yet it is difficult to make changes; and changes, even when needed, are slow in coming. The Egg Marketing Board, previously mentioned, contends that it has the right to limit the number of eggs coming into the country. I think they should have that right. Before they can exercise it, they must go to the Minister of Finance. He must allow the required time to go by before acting, consult people in the field, check with the interested people in GATT and then introduce changes. But the effect of such changes may be detrimental, not advantageous. It seems to me that such action is not really what we need. If we are to compete with other countries we must process more of our raw materials in labour-intensive industries.

Mr. Speaker, factories in the area I represent deal probably with every country of the world. They export diamond drilling equipment and diamond drill-bits to almost every mining venture in the world. It has not been easy for them to compete. Whenever a new development, new process or new piece of machinery is introduced, they immediately run up against our entire tariff structure. They have survived because they are probably more competent than others in the field anywhere in the world. My point is this: we must increase our capacity for employing people, because many of the commodities we used to export from this country are no longer abundantly available.

It was easy to run up a favourable balance of trade when you could export oil as if it were going out of style, or ship out in a totally unprocessed state this country's mineral wealth. Now, many commodities are in short supply. We now know that we do not possess endless resources of coal, oil, iron ore as well as other basic commodities. Therefore, we must process these commodities in this country and make sure we do it in a way which will allow us to compete.

If we lived in a world of free trade, a world in which governments did not intervene in the market, I am sure that we could, to our great advantage, trade with other countries around the world. Unfortunately, we do not live in such a world. We have earned money with raw material exports, but have spent large sums in subsidizing commodities exported.

Let me give an example, Mr. Speaker. We, in northern Ontario, a few years ago were shipping iron pellets to Pittsburgh. It cost us 2½ times as much to ship the iron out as it did to bring in the clay necessary for making those pellets. Why did this happen? The Ontario government owned the railway serving the area and heavily subsidized the goods going out. I did not subsidize anything coming in. If we are to compete, we must do better than this. Too many road-blocks have been thrown up by governments. If we are to compete, we must tear them down. I related the example of the glue. Mr. Speaker, in that case the company hired an expert consultant from Germany. He had been the consultant to almost every plant on the North American continent built to make that kind of product. But our Tariff Board was not sympathetic. It said that we would eventually be able to develop that kind of glue in this country; therefore, the tariff on it would not be removed. That tariff added considerable cost to the finished product and made it harder for companies using the glue to remain competitive.

This story has been repeated in other areas. For example, in my area a manufacturer wanted to erect a plant in which he could assemble stoves prefabricated in the United States. The stoves were to be sent to my area; they were not built in Canada, Mr. Speaker. Yet the tariff cannot be removed because, they say, another stove manufacturing company possesses a number of patents in the same field and maybe intends to manufacture that commodity.

• (1610)

In my view, the tariff structure of this country has not been advantageous to the small manufacturer. Looking down the list, I find myself wondering whether the minister can explain why the tax is 35 per cent in some cases and 10 per cent or 5 per cent in others. Take, for example, preparations of cocoa and chocolate in powdered form. The British preferential tariff is 10 per cent, the most favoured nation tariff is 10 per cent, and the general tariff is 35 per cent. What protection are we seeking? It does not seem likely to me that we are competing in growing cocoa.

Mr. Macdonald (Rosedale): Processing.

Mr. Peters: I don't know. Maybe Cadbury makes it up and sends it somewhere. My point is that it would be interesting to look into the background of some of these things, to consider them in relation to their effect in Canada on the prosperity of the manufacturing industry, especially in areas which are employment-intensive. Manufacturers in this country find themselves obliged, at least in the initial stages, to import some of the material they require. We might find that the Customs Tariff Act was operating to the advantage of firms outside Canada rather than to the benefit of our own companies. I say so for this reason: if Shell, for instance, does not manufacture a product in Canada, the company can manufacture it in the United States or IndoChina or somewhere else. For Shell to

● (1550)

We should also examine the question of the purchase of men and women's clothing and children's outer clothing. Is there a Canadian-made man's raincoat on the market today, or even a few? Why not? They have been pushed off the domestic market by well-made imports. These imports are not the shoddy goods they were at one time when cheapness and shoddiness were synonymous. Another problem has joined the two problems of inflation and unemployment, and that is intensive trade. Three of the four feared horsemen are now riding hard on the horizon. What will the fourth be, and where will the Canadian economy be when it arrives?

These remarks are rather wide-ranging, I admit, Mr. Speaker. We could examine the schedules in detail, but we will do that at committee stage. I think these proposals, minor as they are in themselves, should be considered carefully by the minister. I hope he will invite his colleague, the Minister of Industry, Trade and Commerce (Mr. Chrétien), to examine the situation with him. Perhaps he could also consult the Minister of Agriculture about a national food policy: are we going to have a cheap food policy, or a dear food policy? If it is to be a dear food policy, what will be done about cheaper imports? These are the problems we face, and I must underline their seriousness to hon. members.

With these remarks, Mr. Speaker, I trust we have set the tone of this debate and that this House will give serious attention to these problems, particularly the third one I mentioned. It is not something that is over the horizon; it is with us today and has been with us for a considerable length of time, but I regret that outside of some symbolic gestures, such as the trip of the Prime Minister to Japan, it does not seem to have been recognized. Perhaps something will come out of his visit to the Common Market. These gestures mean that we in the House of Commons, and our counterparts in the other place, must turn our attention to the solution of the problems. Unless we solve them, the hope expressed in the motion on which we voted earlier this afternoon is mere puffery, a figment of someone's imagination and dangerous demagogy at worst, because there is nothing with which to pay.

We cannot look after the social structures of this country unless we have a strong economy on which to base them. At the moment, the economy is not strong and it is not getting stronger. Unless we take drastic steps we will have much greater difficulty in the near future than we have had in the past.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I agree with the previous speaker that our economy is not strong and it is not getting much stronger. I disagree, however, with his contention that we can solve this problem with additional changes to the Customs Tariff arrangements. I was not able to ascertain whether he favoured a closed market or an open market, but I agree that for years we have played with this Customs Tariff question. It may turn out to be the deciding factor in what happens to our developing industries in Canada.

I also agree with him that we must develop a more labour-intensive industrial strategy for the country, but if it is not developed on a sound basis we will be in serious trouble. We must realize the dangers of closing off our border and providing the kind of protection that would allow the development of inefficient domestic industries. In the end, the cost would be greater than the advantages.

In the years that I have been a member of parliament it has become apparent to me that there are two areas of the Canadian economy of which members have no knowledge and over which we have no control. The first of these is freight rates. It has been said that in order to do anything about freight rates we would have to bring an expert in from the United States because we do not have anyone who understands the tariff and freight structure involved in moving goods about this country.

The second area is the Customs Tariff. Of the thousands and thousands of tariffs we have, it seems to me that any changes made to them are almost entirely made at the wish of the civil servants who administer them. I shall cite an example from my constituency, Mr. Speaker. A small, innovative company holds patents on a number of processes in its field and qualified for a DREE grant. As an aside, I received an invitation from the patent office to a celebration on the issue of the millionth patent in this country. Some of these patents have been valuable and show our ability to develop industrial processes and items.

Going to the Tariff Board is something like going to China, Mr. Speaker: I choose China because I do not understand anything about its character structure or language, and our tariff structure is something like that. This company asked for the removal of duty on a certain kind of glue imported from the United States. The Tariff Board sought outside opinion and eventually turned down the application because Shell claimed they knew how to make the glue and would make it some time in the future. Because it might be made in Canada in future, the duty could not be removed. The glue is an expensive part of the covering used on flake-board in this country. Interestingly, some companies were buying the flake-board from manufacturers in Portland, Oregon, and shipping the finished product to major television and stereo manufacturers in New York. But the Tariff Board could not see merit in reducing or removing the tariffs which drove up the price of this product. Consequently, the particular company of which I am thinking made less money and was less competitive than similar companies making the finished product in other countries. This sort of thing happens all the time.

● (1600)

Who will correct the situation? Nobody will, apparently. Nobody, including the minister, will talk to the people on the Tariff Board. The minister is a smart man; he has learned another language, but I do not think he can talk in tariffese, or whatever you may call the language spoken by the people on the Tariff Board. They do not understand the problem. They merely look at the thousands of commodities for which

further ahead. Other countries specify that financial documentation shall be of a special form and in one language, and they will be handled through certain specified financial institutions.

One can be as cute as one wants in non-tariff barriers: it is like punching a pillow. Therefore, it is quite easy for these various countries to impose quotas or introduce non-tariff barriers, and Canada does it, too. We negotiate quota restrictions with, shall we say, a big club. In the field of quota restrictions on textiles we are acting like every other country in the word. There is not a country in the world which does not protect its textile industry. The only industry which usually gets greater protection is the agricultural industry, and here in Canada that is certainly the case. My colleagues will tell us just how far we go to protect our agricultural industry. It is not a matter of whether the tariff is high or low; it is a question of whether there is actually a national food policy.

● (1540)

It may be suggested that I am straying some distance from the Customs Tariff, but I am not. Second reading, particularly of a bill to amend the Customs Tariff, is the appropriate time to discuss whether there should be a continued reduction of rates or a temporary increase which may become a permanent increase; whether there should be quota restrictions, which have been resorted to by the Minister of Agriculture with regard to meat; or whether there should be quota restrictions which are negotiated with a number of third world countries with regard to synthetic textiles.

In outlining the problem, I am not going to say that I have a solution, but there is a situation with regard to Canadian manufacturers and Canadian supplier and it is the responsibility of the government to respond. But there has been a deafening silence from the ranks of the government. It is no answer to ask what we should do. Hon. members opposite have prided themselves on the fact that the Canadian people have put their confidence in them. Well, let them assume their responsibilities. Liberal governments have been in office now for 13 years and the problem of trade imbalances on the commodity side has been ever present. There has been the odd year when there has been a trade surplus, but those where the years when we were exporting petroleum, natural gas, iron ore and semi-processed nickel in vast and increasing quantities.

The Liberals have been the ones who have created the big surplus on the commodities side, but let us deal with labour-intensive commodities. Let us deal with Canadians in small towns. It is not big cities like Toronto, Montreal, Edmonton, Vancouver, Winnipeg, Calgary or Hamilton which face the major problems. I invite hon. members, particularly hon. members from the province of Quebec and from small communities in Ontario, to tell us at great length the difficulties occasioned by the closing of this plant or that business employing 60 to 100 employees. These are things which knock the heart out of those communities.

We are at the core of these problems, but how do we handle them? Should the answer be to offer palliatives? Is the answer to offer grants? Is the answer to keep pumping hundreds of millions of dollars through a DREE program, which is just like putting sand into a sack which is full of holes? What good does it do to pump into a town a few hundred thousands dollars to, so to speak, rehabilitate a business or establish a business which goes out of operation in three years time? There has to be a much more fundamental attack on the problem. We can have the best commodities, the best machinery, the best clothes and the best shoes, but if we cannot sell them either abroad or at home we cannot build enough shelves upon which to store them and we do not have enough money to finance all that inventory.

I challenge hon. members to listen not only to other hon. members in this House but also to other Canadians who are equally concerned about this problem. Let us hear from newspaper editors who are all too ready to provide quick solutions and advice. Let us hear from academics in universities who are also quick to tell parliament, and particularly the government, how to do its business. All Canadians must participate in solving this problem.

We have been caught up in a fight against inflation. In budget debates going back to the early 1970s, and even before, I and my colleagues have spoken about the dangers of inflation and how it was a real cancer which has rooted into the Canadian economic body. Thank goodness I have the speeches on record; it is not a matter of merely saying, "I told you so". Our warnings were brushed aside and pooh-poohed. The Prime Minister (Mr. Trudeau) said that we lived in the best of all possible worlds. Where are we today? We have gone through a violent spasm with regard to inflation, and we are not over it by a long shot.

In addition to inflation we have an unemployment problem. I would like to hear suggestions from members of the New Democratic Party and others who profess a professional interest in unemployment other than raking leaves. We can all rake leaves at minimum wages, but we get nowhere. One can say that investment can be directed to produce anything, but unless those goods and services which are produced are bought, and unless they are produced at economic and competitive prices, the whole exercise is a sham and a hypocrisy. We want to hear about solutions now. I ask hon. members to offer suggestions, because centred on these tariff changes we are looking at problems of international trade. Let us remember that international trade is not just selling goods abroad.

There is another item with regard to international trade, and that is the matter of imports. I referred to people in the lower mainland of British Columbia driving across the border to buy their groceries. I am sure that the same is being done in the Windsor-Detroit area and everywhere along the United States border where there are major shopping areas close by. There is presently a constant drive by Canadians to buy on the other side of the border at worth-while prices. That is lost business; it is all imports. Maybe it is a good thing to be able to buy Dare biscuits manufactured in Surrey, British Columbia, at 20 cents per pound cheaper in Bellingham, Washington, but I think it is a problem that we have to tackle.

particular connotation with regard to the expectations of this government. Perhaps they think that by lowering this tariff item they might establish better relations with the United States.

Mr. Paproski: Do you like Jimmy Carter, Don? Is that what it is?

Mr. Macdonald (Rosedale): I like them all.

Mr. Lambert (Edmonton West): Many of my colleagues have indicated to me that they wish to speak on particular items. Several speeches will be made, for instance, in respect of meat and meat products, fruits and vegetables, textiles and certain types of machinery. But basically I say to the minister and to members of this House that concern has been expressed with increasing tempo by leaders in industry and business and even by responsible trade union officials who experience a great deal of apprehension and discomfort at Canada's trade position today, particularly with respect to manufactured goods and semi-processed goods, by reason of the fact that Canada has an increasing deficit in its commodity account.

● (1530)

Serious predictions are being made by people who know, people who are in the export business, that our position will worsen a great deal. The only commodities that have continued at a high level have been raw materials, petroleum and petroleum products and extractive, primary products. They are not the ones that provide a high labour content in this country. One may wonder why we have a nagging and persistent high level of unemployment in this country in particular areas. The primary reason is the decline in the actual volume of goods—because inflation has many victims elsewhere—that are sold not only abroad but right here in Canada, arising out of Canadian manufacturing and processing. We have figures, and my colleagues can speak in greater detail and with more knowledge on this than I can, but I think I should outline our stand with regard to international trade.

The minister has not spoken to us about what the government has foreseen with regard to the trade development pattern, not as of yesterday but in the three or four years during which we saw inflation rise at a gallop. The government took the rather extraordinary flip-flop step of imposing controls about a year ago. I wish the minister would listen to colleagues from other regions in the country, members representing areas on the Pacific coast, for instance. I wish he would listen to the hon. member for Windsor West (Mr. Gray) with regard to the price of groceries in the lower mainland of British Columbia. Where are people shopping in that region? They are going across to the United States where they can save up to 40 per cent on groceries.

Mr. Peters: Is there no duty on groceries?

Mr. Lambert (Edmonton West): There is duty on certain groceries coming back to Canada, but on a $70 purchase it is about $1.50, when already $20 to $25 has been saved. It is peanuts. They provide for peanuts in this bill. The point that I want to emphasize is the rapid escalation in wages in this country, not only wages of manufacturers producing goods but wages of management and executive salaries. These are all expenses added to the cost of goods and services. It is not just the man who is on the lathe whose wages have gone up, or the wages of the truck driver. It is also front-office salaries.

We have also seen tax and utility bills from the municipalities. Municipal taxes go up by fantastic amounts. Even last year municipalities increased fees by hundreds of percentage points in the belief that they were not bound by controls. Some people have lost their sense of proportion. That applies not only to those on the workbench; it applies also to government administrators at all levels in this country. Here, at the federal government level, we have departments exempting themselves from AIB guidelines. For instance, we see officials of the Ministry of Transport increasing fees to a level far in excess of any guidelines. All these increases can be seen in the increased costs. They are translated into the price of goods that we sell abroad and the price of goods we sell to our Canadian consumers. Is it any wonder that we are now finding more intense competition from suppliers abroad, imports in traditional Canadian markets, in foodstuffs, wearing apparel, manufactured goods, from distant corners of the world?

We have keener competition from the United States, from Japan and the very able manufacturing industry in Taiwan. We sit here crying in our beer about it. Every day there are delegations and trade associations which come to parliament to see the government. They want help in selling textiles, shoes, electronics or call for restrictions and quotas. We see delegations from the agricultural industry as well. I should like to see where we do not have supply management and restrictions. The Minister of Agriculture (Mr. Whelan) is the greatest one for imposing restrictions on imports. Why is that? For example, when medium eggs in Bellingham, Washington, are selling at 66 cents, the Egg Marketing Board puts them on the market at 89 cents. Does it cost that much more in Canada to produce a dozen eggs?

We talk about Canada facing a dilemma. It is here that we are facing it. On the one hand there was the Kennedy round of some years ago which resulted in a number of reductions in tariffs. These are rates to which Canada adhered but, like a foolish virgin, we entered the league and said "Yes, we will reduce many of our customs rates." But other countries, many of them our major trading partners, particularly in Europe, resort to non-tariff barriers. So it is downright foolishness to think that we would gain by a reduction in certain rates. It is naive, because Britain, for instance, does not have to do anything; it can lower its rates on the importation of generators, something which Canadian manufacturers are well able to do. But let a Canadian manufacturer go to the electricity board in the United Kingdom to get the specifications on which to tender: the board replies that on instruction from the government, tenders are restricted to the sufficient number of British manufacturers in existence. Canadian manufacturers cannot even get the specs to tender, but Britain could have lowered the customs rate, and likely did, yet Canada is not any

herring to 10 per cent, from 5 per cent, which is tariff item 12200-1. The purpose of this change is to correct a printing error that occurred when the budget papers were being prepared.

The second change is an amendment to tariff item 69605-1 which provides free entry for a wide range of goods including scientific preparations imported by hospitals and other institutions. The provision for scientific preparations had been restricted to preparations used directly in scientific research. However, a recent Tariff Board decision had the effect of broadening the interpretation of this provision to the point where virtually all preparations used by hospitals and other institutions would be entitled to duty-free entry. Many of these preparations are available from Canadian producers. The amendment will restore the coverage of this item to that which prevailed before the Tariff Board decision. These changes came into effect on October 14, the day following the tabling of the new ways and means motion.

The principal provision of this bill will continue, until June 30, 1977, a number of the temporary reductions which were first introduced as an anti-inflationary measure in the budget of February 19, 1973, and which had been scheduled to expire on June 30 of this year. Several food products have been added to the list of items on which temporary tariff cuts were in force prior to June 30. These include fresh pork, ham, bacon, macaroni and other pasta products. In addition, deeper cuts than those previously in force have been made on certain canned meats.

I should mention, however, that tires, tubes and scissors have been dropped from the list because it was judged that the tariff reductions previously in force were causing serious problems for Canadian producers and adversely affecting employment in Canada. The tariff cuts on these products were simply allowed to expire, as previously scheduled, on June 30, 1976. If it should turn out that the temporary tariff cuts on any of the products, particularly with regard to imported meat products, that remain in the package are causing genuine hardship to Canadian producers or workers, there is authority in the bill to restore tariff protection to previous levels by order in council prior to the proposed new expiry date of June 30, 1977.

In the food sector, reductions are being continued on such products as raw and refined sugar, certain fresh and processed vegetables, a number of fish products and prepared cereal foods and biscuits. In the non-food sector, reductions are being maintained on such products as drugs and pharmaceutical products, kitchen and dinnerware, plumbing fixtures, hand-tools, photographic equipment and sporting goods. The temporary reductions proposed in this bill affect imports of consumer goods valued at about $1.6 billion in terms of 1975 imports. Close to half of these are in the food sector, about $727 million worth.

As was mentioned in the budget speech, the continuation of these temporary tariff cuts until June 30, 1977, should not prejudice our position in the multilateral trade negotiations. The reductions are temporary and they will not be the base from which we will be negotiating in Geneva. The bill also provides for the introduction of a number of miscellaneous tariff changes. I think it would be fair to say that the most significant of these miscellaneous amendments is the introduction of tariff item 42701-1. This new item provides for the withdrawal from Britain and Ireland of the 2½ per cent British preferential tariff on compressor sets and electricity-generating sets. Commencing on May 26, the day following the budget, the most favoured nation tariff of 15 per cent became applicable. Remission of the duty will still be allowed, however, under the machinery program in respect of any sets which are not available from Canadian production.

The tariff on this machinery is being increased because Canadian manufacturers were finding it increasingly difficult to compete against imports over the 2½ per cent tariff. A number of major contracts for this kind of machinery are expected to be let in the next few years, and the government decided that inasmuch as we are no longer obliged to accord preferential tariff rates to Britain and Ireland following their joining the European Community, the time had come to provide Canadian manufacturers of compressors and generating sets with the same level of protection against imports from these sources as they receive against imports from other countries. The study of the tariffs on other machinery which was announced in the budget speech is now well under way. Officials of the Department of Finance have solicited the views and comments of interested Canadian firms on the pros and cons of continuing the preferential rates for such machinery.

The other miscellaneous tariff changes proposed in the bill are designed to facilitate imports. They include provision for the continued duty-free entry, on a temporary basis, of aircraft and aircraft engines and of certain printing plates and irrigation equipment. A number of new tariff items are being introduced to provide free entry for such goods as low-protein and protein-free products and other special dietary foods required by persons afflicted with hereditary metabolic diseases, and—this is of particular interest to the petroleum sector—computer tapes containing seismic data. Finally, it is proposed to amend the wording of several existing tariff items either for purposes of clarification or to broaden the coverage.

This is by way of introduction of the bill. We will have an opportunity to look into the items in committee of the whole. I shall look forward to questions by members and will do my best to answer them.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, under normal circumstances one would have expected to deal with the changes not long following the budget debate when matters which had been discussed during the budget debate were still germane in the minds of members. In the interval, however, many months have passed and there have not been many great changes. Shall we say that there is no great value in getting overly excited about this particular bill? It may be a pure accident—and there, again, we would have to be advised by the minister's officials as to what they meant—but bearing in mind the electoral contest taking place to the south of us, there is a change in item 1805-1. It is the reduction in the tariff on peanut butter. I am wondering whether that has any

2. No.

NATIONAL DEFENCE—COMMISSIONING OF WAR ARTISTS

Question No. 376—**Mr. McKinnon:**

With reference to the answer to Question No. 5,714 of the First Session of the 30th Parliament, which stated in part that four artists participated in the Canadian Armed Forces Civilian Artists Programme (CAFCAP) from 1968 to 1975 (a) what are the artists' names (b) how much was each paid?

Hon. Barney Danson (Acting Minister of National Defence): (a) Mr. Richard Nevitt; Mr. Peter Spuzak; Mr. William Houstoun; Mr. William Johnson. (b) These artists were not paid. There were no costs other than those shown in part 1 of question No. 5,714 published in *Hansard* No. 335 page 15078, dated July 6, 1976.

NATIONAL DEFENCE—PERSONNEL STRENGTH AS OF JULY 1, 1976

Question No. 377—**Mr. McKinnon:**

What was the total (a) regular military (b) reserve (c) civilian strength of the Department of National Defence as of July 1, 1976?

Hon. Barney Danson (Acting Minister of National Defence): (a) 78,114; (b) 21,153; (c) 39,510 (This includes 7,103 term employees).

GIFTS—VISIT OF PRIME MINISTER TO LATIN AMERICA

Question No. 579—**Mr. Reynolds:**

What were the gifts, and what was the cost of each, the Prime Minister took to (a) Cuba for Premier Castro and any other Cuban dignitaries (b) Mexico for President Luis Echeverria Alverez and any other Mexican dignitaries (c) Venezuela for President Carlos Andres Perez and any other Venezuelan dignitaries and, in each case, how many gifts were received by the Prime Minister and Mrs. Trudeau while on such visits?

Hon. Allan J. MacEachen (President of the Privy Council): In so far as the Prime Minister's Office is concerned, the Prime Minister received six substantial gifts.

CLOSURE OF DURHAM MEMORIAL HOSPITAL

Question No. 645—**Mr. Beatty:**

1. Has any request been received from the Government of Ontario for permission to amend the Memorandum of Agreement, dated March 3, 1958 between the federal and Ontario governments as the agreement relates to Durham Memorial Hospital?

2. Does the government consider the agreement still valid and binding on both parties?

3. Would the closure of Durham Memorial Hospital be affected in any way by the Memorandum of Agreement?

4. Has the government made any representations respecting the future of hospitals in Ontario threatened with closing and, if so, what is the nature of such representations?

5. What is the government's contribution to the operation of hospitals in Ontario (a) in dollars (b) as a percentage of the total cost?

Hon. Marc Lalonde (Minister of National Health and Welfare): Please see answer to Parliamentary Enquiry number 5,747 of the last session, tabled on July 5, 1976 (*Hansard* Volume 119, Number 334, page 15016).

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 578 could be made an order for return, this return would be tabled immediately.

[*Text*]

ART LAING BRIDGE

Question No. 578—**Mr. Reynolds:**

1. What is the name and occupation of all persons invited to the opening of the Art Laing Bridge?

2. How many were present from (a) the Department of Transport (b) other government departments and what are their names and positions?

3. How many hours were the (a) northbound (b) southbound lanes of the Bridge closed and for what reason?

4. What was the cost of the reception at the Airport Hyatt?

5. Who on the Minister of Transport's Ottawa staff attended the opening of the Bridge and what was their method of transportation to and from Vancouver?

Return tabled.

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I ask, Mr. Speaker, that the remaining questions be allowed to stand.

● (1520)

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-15, to amend the Customs Tariff, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, Bill C-15 is intended to implement the proposed tariff changes which were before the House at the conclusion of the last session in the form of Bill C-95. That bill was based on the notice of ways and means motion which was tabled with the budget of May 25, 1976. As the bill had not been passed when parliament prorogued on October 12, the proposed tariff amendments were reintroduced in a new notice of ways and means motion on October 13. The present bill, which was given first reading on October 22, flows from that motion.

Only two changes are being made to the May 25 motion. The first is a provision which will restore the rate on canned

Order Paper Questions

8. To date, distribution, mainly on request, has been as follows: Senators and Members of Parliament: 35 per cent; Federal Departments: 29 per cent; Provincial Governments: 13 per cent; Federal Crown Corporations: 8 per cent; Municipal Governments: 5 per cent; Private Institutions: 4 per cent; Universities: 4 per cent; International: 1 per cent; General Public: 1 per cent.

9. Four thousand three hundred eighty-eight English and 1,100 French copies were produced. To date 1,617 English copies and 752 French copies have been distributed as outlined in 8 above.

10. Actual recorded costs total $27,293.50.

11. Vote 1—Privy Council—Program Expenditures 1975-76.

NATIONAL DEFENCE—PERSONNEL AND BILINGUALISM

Question No. 368—**Mr. Patterson:**

1. Have any Canadian Armed Forces personnel trained in France in the past five years and, if so (a) how many in each year (b) at what cost (c) how long did the training last?

2. What percentage of the officer positions in the Department of National Defence are designated (a) bilingual (b) unilingual English (c) unilingual French?

3. Where does officer training in French take place?

Hon. Barney Danson (Acting Minister of National Defence): 1. (a) and (c).

Year	Number of Personnel	Length of Training
1971/72	1	2 years
1972/73	2	2 weeks
	1	9 months
1973/74	1	2 years
	3	2 weeks
1974/75	1	2 weeks
1975/76	1	2 years
	4	2 years
1976/77	2	2 weeks

(b) $110,000.

2. (a), (b) and (c) No officer positions have been designated, however, they have been identified as follows: Bilingual, 33.8 per cent; English Essential, 64.1 per cent; French Essential, 1.3 per cent; Either/or, 0.7 per cent.

3. Canadian Forces Training Facilities in: Chilliwack, British Columbia; Valcartier, Quebec; Borden, Ontario; Kingston, Ontario; Toronto, Ontario; St. Jean, Quebec.

CIL—EXPLOSIVES AND SHELL FILLINGS

Question No. 372—**Mr. McKinnon:**

Is the Canadian Industries Limited plant in Valleyfield, Quebec, which manufactures explosives and shell fillings for the Canadian Armed Forces, closing this summer and, if so, what are the government's plans to meet this contingency?

[Mr. MacEachen.]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): The Canadian Industries Limited plant in Valleyfield, Quebec has been closed since late February 1976 due to strike action by process workers. The government has contracts with the Company for both propellant and explosives. At the completion of the current propellant contract, the Company has announced that it will discontinue propellant manufacture at the Valleyfield site. Unless other arrangements can be made for an alternate Canadian source, Canadian propellant requirements will be procured from outside of Canada. Procurement of explosives will continue from the CIL plant. However, should the labour dispute not be resolved in a time frame to meet our contract delivery schedules, it may be necessary to procure some of this material outside of Canada.

NATIONAL DEFENCE—NEGOTIATIONS WITH INDIANS ON CAMP IPPERWASH

Question No. 373—**Mr. McKinnon:**

1. Are negotiations between the Department of National Defence and the Union of Ontario Indians and the Kettle Point Band, concerning compensation for Camp Ipperwash in an active state and, if so, what was the amount of the last offer made by DND and on what date was it offered?

2. Has such an offer been refused by the Kettle Point Indian Band and, if so, on what date does the Department intend to make another offer?

Hon. Barney Danson (Acting Minister of National Defence): 1. Discussions are in progress to determine an acceptable basis for negotiating the claim submitted by the Band. Various amounts have been considered during the course of these discussions.

2. Discussions are still in progress.

NATIONAL DEFENCE—PERSONNEL STRENGTH AS OF JUNE 1, 1976

Question No. 374—**Mr. McKinnon:**

As of June 1, 1976, what was the strength of the Canadian Armed Forces and how many civilians were employed by the Department of National Defence?

Hon. Barney Danson (Acting Minister of National Defence): Military Personnel, 78,359. Continuing full-time Civilian Personnel, 32,375. Non-continuing Civilian Personnel, including Seasonal part-time employees and leave replacements, 6,510.

NATIONAL DEFENCE—CBC PROGRAM "THE NATION'S BUSINESS"

Question No. 375—**Mr. McKinnon:**

1. Was the programme entitled "The Nation's Business" shown on CBC on June 27, 1976 at approximately 11.15 p.m. produced by the Department of National Defence or by the Liberal Party?

2. Was the Department reimbursed by CBC or by the Liberal Party for the use of the Department's film clips?

Hon. Barney Danson (Acting Minister of National Defence): 1. Liberal Party.

4. If no dividends have been paid and there has been no return paid CNR to date, is it anticipated that in the immediate future, i.e. within one year, an attractive return on investment will be paid and, if so, what rate of return is anticipated?

5. Was the investment of CNR money in Intercast S.A. contingent on the successful takeover of Manchester Liners and/or Furness Withy and, if so, were such conditions met?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): The Management of Canadian National Railway Company advises as follows: 1. Yes.

2. (a) CN holds equity in the form of Swiss Francs with a value of 217,300 Sw. fr. (Approximately $100,000 Canada). This represents 18 per cent of the total. (b) Acquisition was made on 31 October 1975.

3. (a) The anticipated rate of return on the investment is not less than 15 per cent. (b) No dividends have been declared to date and it is not anticipated that profits will be distributed in the form of dividends in the near future.

4. It is anticipated that the value of CN's equity in the CAST Group of companies will continue to increase.

5. No.

LAND FILL COSTS—PORTS OF HALIFAX AND QUEBEC

Question No. 175—**Mr. Forrestall:**

1. (a) Who provided the 5.8 million cubic yards of land fill used at the Beauport Flats harbour facility at the Port of Quebec (b) what is the government's best estimate of the commerical value of the fill?

2. Was a payment of any type made to any entity in respect of the fill and, if so, how much and to whom?

3. Is the government aware that the Fenco report, Alternative 3, calls for 2,321,000 cubic yards of fill for the Fairview Cove harbour facility in the Port of Halifax-Dartmouth?

4. Is the government aware that a price of $4.50 per cubic yard is indicated for fill for alternative 3 in the Fenco report?

5. Did the federal-provincial task force studying the Fenco report produce a quantity or price different from those cited above and, if so, what were the revised figures?

6. On the basis of the task force report, if different from the Fenco findings, what is the government's best estimate of the land fill cost for the Fairview Cove site?

7. Could the government justify treating land fill costs for the national harbours differently at the Port of Halifax- Dartmouth than at the Port of Quebec and, if so, in what way?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. (a) The National Harbours Board provided the 5.8 million cubic yards of fill at Beauport Flats as spoil resulting from normal harbour dredging operations. (b) The land fill is evaluated at $1.50 per square foot for municipal taxation purposes.

2. An amount of $4,490,130 was paid to Marine Industries Limited for dredging berths at Beauport Flats, and the spoil used to created land instead of being dumped in the river which would have resulted in increased costs.

3. Yes.

4. Yes.

5. Yes. Quantity 2,250,000 cubic yards. Price $3.25 per cubic yard.

6. $7,312,500 plus contingencies.

7. Yes. The fill at the port of Quebec was obtained as a result of necessary dredging operations. The fill at the Port of Halifax-Dartmouth would be from a land source, acquired specifically for the proposed terminal.

FEDERAL-PROVINCIAL PROGRAMS AND ACTIVITIES, 1975

Question No. 282—**Mr. Orlikow:**

1. Was approval given to publish "Federal-Provincial Programs and Activities 1975" and, if so (a) on what date (b) by whom (c) for what purpose?

2. What was the printing cost for each English and French edition?

3. What was the cost in man-years and dollars to design, research, organize and edit the publication?

4. How long did it take to assemble and publish the information?

5. How much of the information already appears in other publications and documents?

6. In deciding to publish the book, what persons or institutions was it felt were not aware through existing information services of material in the book, and which parts had not already been published in existing publications?

7. What unit in the Bureau of Federal-Provincial Relations was responsible for this publication?

8. What percentage of the distribution list was by request from (a) government departments (b) provincial government officials (c) researchers (d) members of the public, etc.?

9. How many copies were printed and who received them?

10. What was the total cost of publishing the document calculating all elements per volume in both official languages?

11. In what vote in the estimates and for what year is the expenditure for the publication located?

Hon. Allan J. MacEachen (President of the Privy Council): 1. Approval was given to publish "Federal-Provincial Programs and Activities 1975", (a) on June 25, 1975, (b) by Mr. Gordon Robertson, Secretary to the Cabinet for Federal-Provincial Relations, in order to revise a dated publication of 1973. (c) The purpose of this publication is to make available information about federal-provincial programs, and especially about the transfer payments made by the federal government to the provinces.

2. The printing cost for the English edition was $6,600.89, and $1,672.00 for the French.

3. Nine-tenths of a man-year and $19,020.61.

4. Nine months, from May, 1975 to January, 1976.

5. Very little of the information is contained in its present form in other publications or documents.

6. The information in the publication is of particular interest for purposes of work of the federal and provincial governments involved in federal-provincial consultations, negotiations and programs; municipal governments and their various sub-organizations; and to many agencies needing to have a comprehensive knowledge of the programs available to them through the federal-provincial system.

7. The Studies and Research Group of the Federal-Provincial Relations Office was responsible for this publication.

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Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Total cost: $68,385.42.

OIL SPILL CLEAN-UP OF ST. LAWRENCE RIVER, BROCKVILLE, ONTARIO

Question No. 109—**Mr. Cossitt:**

1. What has been the total cost to the taxpayers of the Canadian participation in the clean-up of the oil spill in the United States waters of the St. Lawrence River west of Brockville, Ontario in June of 1976?

2. Have steps been taken to recover these funds from those responsible and (a) if so, what steps (b) if not, for what reason and will steps be taken?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): 1. Canadian Coast Guard costs for the Nepco 140 spill approximate $850,000 but have not been tabulated in final form. These costs are not divided as being east or west of Brockville, but reflect clean-up along the entire Canadian border that was affected by this spill. Canadian Coast Guard activities were confined to Canadian waters and shoreline.

2. Canadian Coast Guard costs will be forwarded to the United States Coast Guard under the terms of the Joint Canada-United States Marine Pollution Contingency Plan for cost recovery, with the result that the Canadian taxpayer will not be financially responsible for this undertaking.

NATIONAL DEFENCE—AUTOMOBILES SHIPPED TO AND FROM EUROPE

Question No. 161—**Mr. Forrestall:**

1. For each year since 1970, how many automobiles belonging to service personnel were shipped (a) to (b) from Europe and the United Kingdom by the Department of National Defence?

2. For each year, what number of automobiles were shipped through each Canadian port?

3. Of the total automobiles shipped by the Department how many had origins or destinations in the Atlantic Region?

Hon. Barney Danson (Acting Minister of National Defence): 1. The entitlement to ship automobiles at public expense to or from Europe and the United Kingdom only became effective April 1, 1973. Therefore there is no data available for the period prior to that date. (a) 1973-74, 325; 1974-75, 400; 1975-76, 371; (b) 1973-74, 977; 1974-75, 1,111; 1975-76, 991.

2. Montreal: 1973-74, Eastbound, 325; Westbound, 977; 1974-75, Eastbound, 400; Westbound, 1,110; 1975-76, Eastbound, 371; Westbound, 964; Halifax: 1973-74, Eastbound, Nil; Westbound, Nil; 1974-75, Eastbound, Nil; Westbound, 1; 1975-76, Eastbound, Nil; Westbound, 20; Vancouver: 1973-74, Eastbound, Nil; Westbound, Nil; 1974-75, Eastbound, Nil; Westbound, Nil; 1975-76, Eastbound, Nil; Westbound, 7.

3. Automobiles originating in Atlantic Region: 1973-74, 47; 1974-75, 86; 1975-76, 77. Automobiles destined to Atlantic Region: 1973-74, 35; 1974-75, 63; 1975-76, 58.

[Mr. Cossitt.]

MEDICAL RESEARCH COUNCIL SUPPORT IN NOVA SCOTIA

Question No. 170—**Mr. Forrestall:**

1. What is the government's best estimate of the dollar level of funding provided by the Medical Research Council of Canada to recipients within the Province of Nova Scotia for each year since its inception in (a) 1975 dollars (b) actual dollars at the time the money was spent?

2. Will any benefit accrue to the medical community of Nova Scotia, and particularly that of metropolitan Dartmouth and Halifax as a result of recently announced changes in the levels of funding provided to the Medical Research Council of Canada and, if so, what are they?

Hon. Marc Lalonde (Minister of National Health and Welfare): 1. Medical Research Council support for research in Nova Scotia:

Year	In 1975 dollars ($000's) using as inflator the Implicit Price Index of Gross National Expenditure	In current dollars ($000's)
1961-62	333	166
1962-63	344	174
1963-64	448	231
1964-65	590	311
1965-66	749	408
1966-67	1,095	623
1967-68	855	506
1968-69	1,159	708
1969-70	1,447	923
1970-71	1,316	878
1971-72	1,419	977
1972-73	1,275	922
1973-74	1,289	1,018
1974-75	1,243	1,122
1975-76	1,542	1,542

2. In so far as medical scientists in the health science faculties of Dalhousie University in Halifax are concerned, six additional investigators will receive new grants and three investigators holding grants for only part of the current year will receive unconditional grants for the full twelve month period, thus bringing the total number of investigators receiving unconditional grants to the same level as in 1975-76. In addition, the General Research Grants to the deans of medicine, dentistry and pharmacy have been increased.

CNR'S INTEREST IN INTERCAST S.A.

Question No. 171—**Mr. Forrestall:**

1. Is CNR represented on the Board of Directors of Intercast S.A.?

2. (a) How much equity does CNR hold in this company in terms of dollars and as a percentage of the total (b) on what date was such equity taken?

3. (a) What is the anticipated rate of return on the investment in the first year (b) have any dividends been paid to date and, if not, on what date will they be paid?

(d) With regard to part 3 (a) of Question No. 3,140: 16 prosecutions under the Narcotic Control Act and the Food and Drugs Act for the Department of National Health and Welfare. Two prosecutions under the Income Tax Act for the Department of National Revenue—Taxation. With regard to part 3 (b) of Question No. 3,140: It is not in the tradition of a non-political public service to disclose the names and addresses of officials who performed tasks in the course of their duties.

NOTE: The legal fees paid to Mr. N. D. Dixon of Smith Falls, Ontario for the fiscal year 1974-75 were reported as totalling $15,585.53 in the reply to Question No. 2,232. Further research has revealed a clerical error and the correct amount is $5,585.53.

LEGAL WORK DONE BY MR. N. D. DIXON, SMITHS FALLS, ONTARIO

Question No. 36—**Mr. Cossitt:**

1. Is the government officially aware that Mr. N. D. Dixon, a lawyer in Smiths Falls, Ontario, named in the answer to Question No. 2,232 of the First Session of the 30th Parliament as having received government business, was President of the Leeds Liberal Association immediately prior to the time he received $15,585.53 worth of government legal business?

2. Is it the policy of the government to reward those who have served as presidents of liberal associations on their retirement to the position of past president with government legal business?

Hon. Ron Basford (Minister of Justice): 1. Mr. N. D. Dixon of Smith Falls, Ontario was first appointed a legal agent for the Minister of Justice and Attorney General of Canada in 1963. Mr. Dixon has been re-appointed as a legal agent at various times since 1963 in light of the competent manner in which he has carried out the mandates previously assigned to him. He was not re-appointed because of any position he may have held in any association or organization.

2. No.

NATIONAL DEFENCE—AIRCRAFT LOCATED AT SASKATOON AIRPORT

Question No. 47—**Mr. Cossitt:**

1. How many Department of National Defence aircraft have been located at any time this year at the Saskatoon Airport and, in each case (a) what were the type of aircraft (b) how long and for what reason were they there (c) are the aircraft in storage and, if so, for what purpose and for what reason are they at a non-military airport (d) have arrangements been made for their sale and (i) if so, which ones and when will the sales take place (ii) if not, why have they been removed from service?

2. What is the (a) present value of each aircraft (b) total present value of all aircraft (c) total value of such aircraft when they were originally placed in Saskatoon (d) annual cost of (i) maintenance (ii) storage and any other costs (e) annual rate of depreciation involved?

3. What plans does the government have for each aircraft?

Hon. Barney Danson (Acting Minister of National Defence): 1. 47. (a) Types of Aircraft: T33 Jet Trainer; Argus CP 107 Patrol; Tracker CP 121 Patrol; Otter CSR 123 Transport; Dakota CC 129 Transport. (b) The aircraft are in storage and have been there for periods ranging from seven months to two and one half years. (c) Yes. The aircraft are stored in DND facilities at the Saskatoon Municipal airport. (d) (i) and (ii). Eight Dakota and seven other aircraft have been declared surplus and reported to Crown Assets for disposal. The remainder of the aircraft are being held in storage to replace and refit operational aircraft with parts as required.

2. (a), (b) and (c). No estimate can be determined as the aircraft in most cases are over 25 years old. The value of the aircraft is in the replacements parts provided for operational aircraft. (d) (i) and (ii) $606,659. (e) Not applicable.

3. The plans for the aircraft are shown under part I of this question.

USE OF GOVERNMENT OWNED AIRCRAFT

Question No. 48—**Mr. Cossitt:**

On or about Christmas 1968 or at any other time, did the present Minister of Transport have a government aircraft pick up personal friends, Dr. and Mrs. Bone and their son Michael, in Saskatoon, fly to Regina to pick up Mr. Tony Merchant, brother-in-law of the Minister and, then fly all those on board to Ottawa and, if so (a) for what reason (b) what was the total cost involved?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Records are not available prior to the fiscal year 1973-74.

USE OF GOVERNMENT AIRCRAFT BY MINISTER OF TRANSPORT

Question No. 49—**Mr. Cossitt:**

1. During the month of May 1976, how many times did the Minister of Transport travel by government aircraft from Ottawa to Saskatoon and return?

2. What was the (a) purpose and total cost to the taxpayer, in each case (b) total cost of the flights?

3. Was one of the trips, in part, to include attendance at the general meeting of the Bar Association and, if so (a) did he attend this gathering and for how long (b) did he attend the evening banquet and, if not (i) for what reason (ii) has the Minister been made aware directly or indirectly, officially or unofficially, of annoyance expressed on the part of the Bar Association for his non-attendance at the banquet?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): 1. Three.

2. (a) Government business. (b) Usual for jetstar.

3. No. The Minister did not plan to attend the Bar Association meeting but in a free hour he did attend. (a) About one hour. (b) No. (i) other commitments; (ii) the Minister has not been made aware directly or indirectly, officially or unofficially of any annoyance for his non-attendance; (iii) the Minister received some compliments for his attendance.

ADVERTISING PLACED BY THE GOVERNMENT DURING CESSATION OF AIR TRAVEL IN CANADA

Question No. 76—**Mr. Cossitt:**

What was the cost of all advertising placed by the government during the recent cessation of air travel in Canada because of the dispute between the government and the Air Traffic Controllers and Pilots on the subject of bilingualism?

the Honourable John Turner, travelled at public expense by private railway car from Ottawa to Kenora, Ontario from July 31 to August 2, 1975, August 23 to 26, 1975 and August 24 to 26, 1974, what (a) was the exact purpose of each trip (b) were the reasons justifying this expenditure of public funds (c) are the names and addresses of any others on board during the trips?

2. Did the Honourable John Turner own personal property in the Kenora area at the time of the trips and, if so, was the government officially aware of this?

Question No. 17—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Supply and Services travelled at public expense by private railway car from Ottawa to Montreal on May 3, 1974 and from Ottawa to Mont-Joli, Quebec from May 9 to 12, 1975, will the Minister make public (a) the exact purpose of each trip (b) the names and addresses of any others on board the cars at any time (c) all the reasons justifying this expenditure of public funds (d) the number of service personnel on duty in the car on each occasion?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 18—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the former Minister of Manpower and Immigration and present President of the Treasury Board, travelled at public expense, by private railway car from Ottawa to Thunder Bay from June 5 to 8, 1975, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

3. In what constituency is Thunder Bay located?

Question No. 19—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Finance, travelled at public expense, by private railway car from Ottawa to Sydney, Nova Scotia from August 2 to 12, 1975, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car (e) a list of all stops en route and the purpose in each case?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 20—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Communications, travelled at public expense, by private railway car from Ottawa to Montreal on July 31, 1974, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 21—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated that where Cabinet Ministers have used private railway cars at public expense, since April 1, 1974, the reason for such use was unknown by the Department of Transport, is it government policy to permit unlimited use of such cars by Ministers without any requirement that they state the purpose for such use or be required to justify the use for government business?

2. Can the Minister of Transport justify expenditures of public funds for purposes stated to be unknown and, if so, in what manner?

3. Does the President of the Treasury Board condone such expenditures of public funds by the Department of Transport for reasons stated to be unknown and, if so, for what reason?

[Mr. Cossitt.]

Question No. 26—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Justice travelled at public expense by private railway car from Ottawa to Winnipeg from November 11 to 14, 1974, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 27—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Labour travelled at public expense by private railway car from Ottawa to Toronto from September 20 to 21, 1974 and from April 2 to 3, 1975, will the Minister make public (a) the exact purpose of the trips (b) the names and addresses of any others on board the cars at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the cars?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 28—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the former President of the Treasury Board and present Minister of Industry, Trade and Commerce, travelled at public expense by private railway car from Ottawa to Sherbrooke from February 21 to 24, 1975 and from Ottawa to Quebec City from February 13 to 17, 1976, will the Minister make public (a) the exact purpose of each trip (b) the names and addresses of any others on board the cars at any time (c) all the reasons justifying this expenditure of public funds (d) the number of service personnel on duty in the car on each occasion?

2. Will the Minister make public this information and, if not, for what reason?

3. Has the Minister stated his desire to cut government expenditures and, if so, in what manner does he justify this expenditure of public funds?

Question No. 32—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, showing private railway cars being used at public expense by Members of the Cabinet up to March 1, 1976, has further use been made of these cars by Members of the Cabinet to the date that the answer to this question is prepared and (a) if so, in each case (i) what is the name of the Minister (ii) what were the dates of use (iii) what was the point of origin, places visited and final destination (iv) what are the names of all persons on board at any time (v) how many service personnel were involved (vi) what was the cost of each trip (vii) what was the total cost of all trips (viii) will such use terminate immediately (b) if not, does this indicate a change in government policy resulting from previous questions on this subject?

2. What was the date that the answer to this question was prepared?

LEGAL WORK DONE BY MR. N. D. DIXON OF SMITHS FALLS, ONTARIO

Question No. 35—**Mr. Cossitt:**

With reference to the answer to Question No. 3,140 of the First Session of the 30th Parliament, which stated in part that the details of legal work done for the government by Mr. N. D. Dixon of Smiths Falls would be communicated to the Member for Leeds at a later date (a) for what reason has the information not been forthcoming (b) what departments are involved in compiling such information and on what date did they begin such work (c) has the compiling of the information been completed and, if so, (d) on what date will the government forward the requested information to the Member for Leeds?

Hon. Ron Basford (Minister of Justice): In so far as the Department of Justice is concerned: (a), (b) and (c) Through an administrative oversight, the question was not attended to.

listed in part 5 of this question; (d) In possession of the members listed in part 5 of this question.

The following reply applies to questions Nos. 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 26, 27, 28 and 32.

PRIVATE RAILWAY CARS

Question No. 11—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of State for Urban Affairs travelled at public expense by private railway car between Ottawa and Vancouver from August 19 to September 3, 1975, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of all those on board the car during the trip (c) all the reasons justifying this expenditure of public funds (d) the reason it took 16 days to travel what is normally a three day journey (e) a list of all stops en route and the purpose in each case (f) the total number of miles travelled at the stated cost of $1.95 per mile (g) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Prior to 1959, varying numbers of rail cars have been owned or on loan from Canadian National Railways and were assigned to various Ministers and Departments. During 1959, the matter of rail car use was reviewed by the Government and it was decided that the cars be reduced in number to two for the use of any Members of Cabinet, by arrangement. This recommendation was accepted with two cars being returned to CN and the remaining two (along with the 2 car unit assigned to the Governor General) put under Transport Canada's jurisdiction and assigned to the Prime Minister and Minister of Transport respectively. Four car stewards presently share the required duties as two man teams on the four rail cars and constitute the major fixed cost along with basic supplies and maintenance such as: heating, cleaning, replacement of equipment, parts, etc. Any charges from the railways for special switching, food or train requirements are charged to the user of the car. On the basis of this decision by the Government in 1959 the cars, when not in use by the assigned Ministers, have been made available on a first come-first served basis for foreign dignitaries, Members of Cabinet and senior officials of the Canadian Transport Commission. Canadian National and Canadian Pacific Railways issue passes for Ministers authorizing use of the rail car plus the two attendants. Any other persons on the cars are charged by the railway for first class passage (unless they hold railway passes in their own right). As with the CN and CP passes issued to Members of Parliament, the purpose of the trip has never been requested and Members and Ministers may exercise the use of their passes for whatever purpose they choose. Other than the first class charge for any passengers, the railways have traditionally hauled the four rail cars at no cost on regular train operations. This means that with most of the costs being of a fixed nature, there is very little difference in cost whether the cars are in use or on standby. The fact that accommodation and meeting rooms are not required is an additional incentive to use the cars rather than commercial facilities. It is necessary to maintain this small number of rail cars in Ottawa in any case for matters of state and the use therefore, by approved officials, becomes an efficient use of facilities that are already paid for. There is periodic assessment of the feasibility of hiring rail car stewards from the railway as required rather than paying annual salaries and to date it has been considerably more economical to pay annual salaries. The rail cars allow the necessary privacy required for working conditions while travelling and allow maintenance of the level of security needed for the Prime Minister and for foreign dignitaries (see page 8618 of *Hansard* for December 11, 1973). In addition to the security features and controlled working environment, there has traditionally been, in the use of these cars by the Government's most senior representatives, the recognition of their need to travel to various parts of the country as part of their responsibilities. The cars have never been restricted to any specific use other than during general election campaigns.

Question No. 12—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the former President of the Treasury Board and present Minister of Industry, Trade and Commerce travelled at public expense by private railway car from Ottawa to Shawinigan, Quebec from December 30, 1975 to January 3, 1976, January 23 to January 26, 1976 and February 27 to March 1, 1976, will the Minister make public (a) the exact purpose of each trip (b) a list of any stops en route (c) the names and addresses of any others on board the car at any time (d) the number of personnel on duty to operate the services in the car?

2. Has the Minister stated his desire to cut government expenditures and, if so, in what manner does he justify this expenditure of public funds?

3. Will the Minister make public this information and, if not, for what reason?

4. In what constituency is Shawinigan, Quebec located?

Question No. 13—**Mr. Cossitt:**

Will the government prohibit further use, by Cabinet Ministers at public expense, of private railway cars for personal travel in keeping with its announced programme of restraint and (a) if so, on what date will such prohibition begin (b) if not, for what reason?

Question No. 14—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the former Minister of Industry, Trade and Commerce, and present Secretary of State for External Affairs travelled at public expense, by private railway car from Ottawa to London from November 14 to 16, 1975, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 15—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the Minister of Supply and Services travelled at public expense by private railway car from Ottawa to Quebec City from June 13 to 15, 1975, will the Minister make public (a) the exact purpose of the trip (b) the names and addresses of any others on board the car at any time (c) all the reasons justifying this expenditure of public funds (d) the number of personnel on duty to operate the services in the car?

2. Will the Minister make public this information and, if not, for what reason?

Question No. 16—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,777 of the First Session of the 30th Parliament, which stated in part that the former Minister of Finance,

Mr. MacEachen: With regard to the question period, I have no intention of healing the hon. member's self-inflicted wound.

Some hon. Members: Hear, hear!

Mr. Lawrence: That is a great way to get out of the question period.

Mr. Wagner: They will try it every day now.

Mr. Speaker: Order please. The hon. member for Grenville-Carleton has raised, by way of a point of order, the question as to whether or not the oral question period ought to take place. I take it from his remarks that there is no disagreement with the clear wording of Standing Order 15(2) which indicates that Routine Proceedings shall be taken up at 3 p.m. There could be no clearer language. The provisional orders under which we are operating at the present time state that Routine Proceedings shall be taken up at three o'clock or presumably as soon thereafter as possible. There is no disagreement with that. However, there has been a suggestion by the hon. member for Grenville-Carleton that the House may be disposed to having a question period. That can only be done with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Paproski: I did not hear any "no".

* * *

ANTI-INFLATION PROGRAM

TABLING OF REFERENCE TO ADMINISTRATOR AND REPORT OF BOARD

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would like to table a reference to the administrator under the Anti-Inflation Act and a report from the Anti-Inflation Board under the Anti-Inflation Act.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I will speak clearly so that all may hear. The following questions will be answered today: 4, 11 to 21 inclusive, 26, 27, 28, 32, 35, 36, 47, 48, 49, 76, 109, 161, 170, 171, 175, 282, 368, 372 to 377 inclusive, 579 and 645.

[Mr. MacEachen.]

[*Text*]

NATIONAL DEFENCE—PURCHASE OF SAIL BOAT MATERIALS

Question No. 4—**Mr. Cossitt:**

1. Were materials purchased by Canadian Forces Base, Kingston on February 5, 1975, from Queen City Distributors Limited of Downsview, Ontario and, if so (a) was such material composed of various items for the making of fibre glass pleasure sailboats (b) was the invoice number from Queen City Distributors Limited No. 08024 (c) what was the total cost of the material purchased and what is an itemized list of the material (d) who signed for receipt of such items (e) does the name M. M. Marshall appear on the invoice and, if so (i) what is his job designation or rank with the Canadian Armed Forces (ii) who authorized him to make the purchase?

2. Was the Canadian Armed Forces reimbursed for the material purchased and, if so (a) who made such reimbursement (b) on what date (c) to whom was it made?

3. Is it the policy of the Department of National Defence to allow the purchase of materials by the Canadian Armed Forces for use of officers for their own private purposes such as the construction of sailboats and, if so, who authorized such a policy and on what date?

4. What are the general regulations pertaining to the purchase of materials by the Canadian Armed Forces that are used for private purposes by personnel?

5. What are the (a) names (b) job designations of all members of the Armed Forces or civilian employees who took part in the construction of sailboats at Kingston?

6. (a) How many such boats were constructed (b) who used the boats (c) who is now the owner of the boats (d) where are the boats now located?

Hon. Barney Danson (Acting Minister of National Defence): 1. yes; (a) Yes; (b) No; (c) Cost of Material, $775.75; List of Material: 10 oz Cloth Fibreglass, 125 yards; Resin, 45 gallons; Hardener for Resin, 18 lbs; Gel Coat Spray, 20 gallons; Yellow pigment, 9 lbs; Black pigment, 12 lbs; Mould release agent, 1 gallon; Acetone, 5 gallons. (d) Base Supply Officer, CFB Kingston. (e) Mr. Marshall's name appeared on the invoice. (i) Supervisor Local Procurement (CR 5) (ii) Base Procurement Officer

2. Yes. (a) Base Supply Officer on behalf of the Canadian Forces Sailing Association; (b) April 11, 1975; (c) Receiver General of Canada.

3. No.

4. The general regulations as defined under Queen's Regulations and Orders Chapter 36, Section 1, Article 36.05 state that no material may be issued or used by an officer or man for private or other purposes unrelated to either the performance of military duty, recreational activity, or his status as a member of the Canadian Forces. The Canadian Forces Sailing Association established pursuant to Section 45 (1) of the National Defence Act is an approved recreational activity and as such is permitted to use certain approved DND facilities and materials to further the knowledge and training of its members.

5. (a) and (b) Particulars of the members of the Canadian Forces Sailing Association who took part are as follows: Col. M. J. Braun, Commandant; Cdr. R. G. Ross, Base Technical Services Officer; LCol. B. F. Simons, Base Administrative Officer; Major M. G. DeGrandpre, Base Supply Officer; Capt. D. McCaw, Signals Officer; Maj. H. Dick, Retired.

6. (a) six; (b) The members of the Canadian Forces Sailing Association listed in part 5 of this question; (c) The members

Messrs.

Smith (Churchill)	Towers	Whittaker
Stanfield	Wagner	Wise
Stewart (Marquette)	Wenman	Woolliams
	Whiteway	Yewchuk—85.

NAYS

Messrs.

Abbott	Dupont	Macdonald (Rosedale)
Allmand	Dupras	MacEachen
Anderson	Duquet	MacGuigan
Andras (Port Arthur)	Ethier	Maine
Andres (Lincoln)	Faulkner	Marceau
Appolloni (Mrs.)	Fleming	Martin
Baker (Gander-Twillingate)	Flynn	McRae
Basford	Foster	Milne
Béchard	Fox	Munro (Hamilton East)
Bégin (Miss)	Francis	Nicholson (Miss)
Blais	Gauthier (Ottawa-Vanier)	O'Connell
Blaker	Gillespie	Olivier
Blouin	Goodale	Parent
Boulanger	Gray	Pearsall
Buchanan	Guay (St. Boniface)	Penner
Bussières	Guay (Lévis)	Philbrook
Caccia	Guilbault	Pinard
Campagnolo (Mrs.)	Harquail	Railton
Campbell (Miss) (South Western Nova)	Herbert	Raines
Caron	Holt (Mrs.)	Roberts
Chrétien	Isabelle	Robinson
Clermont	Joyal	Rompkey
Collenette	Kaplan	Rooney
Condon	Lachance	Roy (Timmins)
Corriveau	Lajoie	Roy (Laval)
Côté	Landers	Sauvé (Mrs.)
Cullen	Lang	Sharp
Cyr	Langlois	Smith (Saint-Jean)
Danson	Laniel	Stewart (Cochrane)
Daudlin	Leblanc (Laurier)	Stollery
De Bané	LeBlanc (Westmorland-Kent)	Tessier
Demers	Lee	Turner
Dionne (Northumberland-Miramichi)	Loiselle (Saint-Henri)	Watson
Douglas (Bruce-Grey)	Lumley	Whelan
Drury	MacDonald (Cardigan)	Yanakis
		Young—106.

● (1500)

Mr. Speaker: I declare the motion lost. Presenting reports from standing and special committees.

Mr. Baker (Grenville-Carleton): A point of order, Mr. Speaker.

Some hon. Members: Oh, oh!

● (1510)

Mr. Baker (Grenville-Carleton): Mr. Speaker, on the point of order that I am raising, I hesitate but I must observe that this is an indication that this government cannot even organize "no".

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Social Security

Mr. Baker (Grenville-Carleton): I am sure that even those who have catapulted themselves into the position in which they found themselves a few moments ago would—

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton raises a point of order. I would like to hear him develop it.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I want to assure my friends on the other side that I was really only clearing my throat.

Mr. Guay (St. Boniface): We can take a joke.

Mr. Clark: You are a joke.

Mr. Baker (Grenville-Carleton): In any event, as a result of what just happened here in the House today and Your Honour's call for the next item of business, it has become apparent that you have passed over the normal question period. I am sure it would not lie in the mouth of the government House leader, even in the face of the ineptitude that we have just seen, to deny the people of Canada and their elected representatives this opportunity to question the government.

Some hon. Members: Hear hear!

Mr. Baker (Grenville-Carleton): I assume it would be of interest to hon. members on both sides of the House to learn what may or may not be revealed in the question period today, and of interest to some of the ministers as well. In view of the rules which Your Honour has interpreted by your actions—an interpretation with which I cannot quarrel—I wonder if the question could be put to the House as to whether there might be unanimous consent—

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): —for us to follow the normal parliamentary practice and have a question period.

Some hon. Members: Hear, hear!

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): I mean no disrespect when I ask this of the government, because it has become apparent to everyone in this House and the country that the legislation which awaits the care of this House is not so important as to deprive this House of its privilege of the question period.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, on the same point of order, I just want to advise my hon. friend that we on this side of the House have welcomed the opportunity to take a stand for fiscal responsibility.

Some hon. Members: Hear, hear!

result of the aforementioned strike on October 5, 1976 the striking employees received $450 each on the basis of being paid time and a half on the following Saturday, double time on the following Sunday, and triple time on the following Monday in order to clear up the backlog, I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That this House direct the Postmaster General to make a statement on motions on the effectiveness of sanctions imposed by this government on employees who engage in illegal strikes.

Mr. Speaker: Order, please. Such a motion pursuant to Standing Order 43 can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSE OF COMMONS

REFERENCE TO GOVERNMENT MEMBERS TAKING PART IN THRONE SPEECH DEBATE—MOTION UNDER S.O. 43

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I move under the provisions of Standing Order 43, seconded by the hon. member for Hastings (Mr. Ellis):

That this House express its appreciation to the chief government whip and his deputy for the splendid arrangement of the list of government speakers in the throne speech debate which gave those who have lost hope of elevation to the cabinet such prominence, and requests that a list of those with similar views who were unable to speak because of the limited time be tabled.

Mr. Speaker: Is there unanimous consent that this motion be accepted?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SOCIAL SECURITY

PROPOSAL THAT SURVIVORS' PENSION BE NOT LESS THAN SEVENTY PER CENT OF CONTRIBUTOR'S PENSION—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the many speeches being made these days, especially by cabinet ministers, calling for equality between men and women, I feel it is a matter of urgent and pressing necessity that something be done about the inequality suffered by widows with respect to their pensions. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

● (1410)

That this House urges the government to review all the employee pension plans that come under its jurisdiction, and to take the necessary steps to provide forthwith that in all cases the pensions of widows (or of widowers where applicable) will be not less than 70 per cent of the contributor's pension, and that the eventual goal be a full 100 per cent pension for either survivor.

[Mr. Hnatyshyn.]

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Such a motion cannot be presented to the House pursuant to Standing Order 43 without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There being unanimous consent for the presentation of such a motion, I therefore put the question. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

(*Division No. 5*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Bawden
Beatty
Beaudoin
Benjamin
Blackburn
Brewin
Brisco
Broadbent
Caouette (Villeneuve)
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Cossitt
Crouse
Darling
Diefenbaker
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Forrestall
Fraser
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Johnston
Jones
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lavoie
Lawrence
Leggatt
MacDonald (Miss) (Kingston and the Islands)
MacKay
Macquarrie
Masniuk
McCain
McKenzie
McKinley
McKinnon
Muir
Neil
Nielsen
Nowlan
Nystrom
Orlikow
O'Sullivan
Paproski
Peters
Reynolds
Ritchie
Rondeau
Rynard
Schumacher
Scott
Skoreyko

HOUSE OF COMMONS

Tuesday, October 26, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR EXPLANATION OF ACTION AGAINST PERSONNEL CONNECTED WITH INTERNATIONAL PROGRAMS—MOTION UNDER S.O. 43

Mr. Tom Cossitt (Leeds): Mr. Speaker, I rise on a matter of urgent and pressing necessity, further to oral and written questions I have asked on attempted censorship or influencing by external affairs and CBC hierarchy of news broadcasts by CBC's international service to eastern Europe, as well as my requests for copies of internal documents criticizing this signed by CBC senior international personnel which were made public. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That the government make an immediate explanation why three senior CBC persons signing these internal documents registering constructive criticism, namely M. Mogilyansky, head, Russian section, L. C. Chipman, East European program supervisor and Axel Thogerson, assistant director Radio Canada international, have been demoted by the CBC, reprimanded in writing, instructed to state they have been laterally transferred and finally, that the government explain why it permits such a vendetta or persecution to occur against such high quality personnel.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

SUGGESTED INVESTIGATION OF DECISION TO CHANGE AGREEMENT WITH MANITOBA FRONTIER SCHOOL TEACHERS—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I move under the provisions of Standing Order 43:

That the Minister of Finance (Mr. Macdonald) investigate the decision of the Anti-Inflation Board to cut back the salary and isolation benefits agreement arrived at between the Frontier school division teachers in Manitoba and their employers so that the salary increase of 14 per cent was reduced to 11 per cent and the isolation allowance provisions agreed to after three years of negotiations, under which these teachers would have received an increase of 27 per cent, which would have brought these allowances to the level paid to other provincial employees working in the same area, were cut to 8 per cent; and that after the investigation the minister take whatever steps necessary to make effective the original agreement in order to prevent mass resignation of the teachers and the resultant deterioration of the schools in that area.

Mr. Speaker: Such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

SUGGESTED ESTABLISHMENT OF PARLIAMENTARY CALENDAR—MOTION UNDER S.O. 43.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I seek the unanimous consent of the House to discuss a matter of urgent and pressing necessity.

Considering that the 30th Parliament is at the beginning of its second session and that members of parliament have often expressed the wish to have a calendar with fixed periods to determine the sittings of the House, I move, seconded by the hon. member for Richmond (Mr. Beaudoin):

That the House strongly urge the leader of the government in the House to submit as soon as possible a parliamentary calendar taking into consideration the school calendar so as to enable all hon. members to have a normal family life too.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

POST OFFICE

EFFECTIVENESS OF SANCTIONS AGAINST EMPLOYEES ENGAGING IN ILLEGAL STRIKES—MOTION UNDER S.O. 43

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that in Ottawa, for example, striking post office employees lost $50 each as a result of what is described by this government as the one-day illegal strike on October 5, 1976, and secondly, as a

presidential election, and has to feed people at $85 a plate, in order to make its political money. At this time the leader of this party can go into any city in western Canada, or into any city in Canada for that matter, and do very well. He went into the province of Quebec and had 1,200 people out for lunch.

Some hon. Members: Oh, oh!

Mr. Reynolds: I ask hon. members to look at the polls at the moment in the province of Quebec. Look at what happened in Hochelaga, a seat which the Liberals had held for years. Let hon. members opposite sit there and laugh. Next time it will be this party that will form the government opposite. I am glad to see them so touchy about importing a United States senator, who had been thoroughly defeated in the presidential race, to speak for their party. I think it is a sad commentary on the Prime Minister (Mr. Trudeau) who has lost so much support in most parts of the country that he cannot send one of his own party members to speak at this dinner.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. It being ten o'clock p.m. it is my duty, pursuant to section (5) of Standing Order 38, and also pursuant to the agreement reached earlier, to interrupt the proceedings at this time to put forthwith every question necessary to dispose of the main motion.

Is it the pleasure of the House to adopt the said motion?

Motion (Mr. Harquail) agreed to.

• (2200)

Hon. Robert K. Andras (President of the Treasury Board) moved:

Business of the House

That the Address be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Motion agreed to.

* * *

BUSINESS OF SUPPLY

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I move, seconded by the Minister of Supply and Services (Mr. Goyer), in accordance with Standing Order 58:

That this House at its next sitting consider the business of supply.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. Can the government whip convey to us what will be the government's business tomorrow and the next day? Perhaps he can say what the business will be as far ahead as he can contemplate.

Mr. Guay (St. Boniface): Mr. Speaker, tomorrow we should begin with the customs tariff, Bill C-15, if time permits we would carry on with advance payments for crops, Bill C-2.

Mr. Alexander: What about Bill C-83?

Mr. Deputy Speaker: Order, please. It being after ten o'clock this House stands adjourned until tomorrow at two o'clock p.m.

At 10.04 p.m. the House adjourned, without question put, pursuant to Standing Order.

people that it is a truly independent inquiry and would not break down into a partisan debate.

I think we have to give the new Solicitor General the chance to get into his new job. I watched him all during the debate on capital punishment when he did not have too much concern for the minority on that committee. As recorded at page 25 of the Justice and Legal Affairs Committee proceedings on June 22 last, the Solicitor General said this:

> . . . professors such as Mr. Ehrlich and those who are opposed to Mr. Ehrlich's views, have had the opportunity to have their works published, read, debated, refuted and commented on ad nauseam; and now it is proposed that this nauseating debate continue here in committee.

The part that scares us as an opposition party, Mr. Speaker, is that the Solicitor General felt this way just a few months ago about closing off the debate on capital punishment. Because of the shortness of time that he has allowed for this committee, we are hoping that the members on his side will not sit on that committee with the attitude that they have the majority and they will do what they want. The government has not solved the penitentiaries problem. I have only been in this House four years, Mr. Speaker, but the problems have been getting worse. None of the programs the government has set up have helped at all.

The British Columbia Penitentiary is in total chaos right now. The Solicitor General says that it is going to close down in 1979, yet he is willing to approve $1.5 million to repair the damage the inmates have done. I have not heard the Solicitor General say that perhaps the inmates who did that damage inside the institution should form the labour force that puts it back together, or that they can stay in the gymnasium until the government is ready to replace that penitentiary. I do not know why we have to feel sorry for people who bust their penal institution down to the ground and then complain that the living conditions in the gymnasium are not so good.

I think it is time that the government took a tough line with inmates inside our maximum security institutions. We do take a fairly tough line inside our medium and minimum security institutions. We have very tough rules there and, if they are broken, prisoners are sent back to a maximum security institution. In most of the medium and minimum institutions I have visited in this country everything runs fairly smoothly because there is some sense of law and order inside the institutions. It is in our maximum security institutions that the administration and the classification sections have taken a very soft attitude toward the very vicious people who are inside them. In the B.C. penitentiary the authorities went out of their way to make the institution a better place to live. Then, after a couple of million dollars worth of improvements, the inmates tear the place down. This is the sort of problem that this committee will have to face, Mr. Speaker, and hopefully come up with some recommendations that will be acceptable to the government.

I want to stress that the Conservative party did have its committee set up ready to investigate penitentiaries. If we are not satisfied at the end of this committee hearing, or if the government tries to close off the hearing before the reports are ready to be made, or if we feel we are not getting to see the people we went to see, or that we are not able to spend the amount of time with them that we want to spend, we will continue our own task force. It is our right as members of parliament to visit penitentiaries in this country.

Some hon. Members: Hear, hear!

Mr. Reynolds: I have before me a copy of a report that was sent to the former Solicitor General by the late hon. member for Louis-Hebert, Mrs. Morin, who served on the last committee, and I must say that her presence in this House is sorely missed. She was very concerned about this problem and I have the reports which she completed after the last investigation.

Most of the reports of the hon. lady are very condemnatory of the government, and sometimes I wonder whether that is not one of the reasons why the reports were never made public. There was a list of proposed recommendations contained in the report of the penitentiaries sub-committee made at this time, which would have been 1974. These recommendations called for tight perimeter security coupled with optimal internal conditions, and very little has been done in this regard in the penitentiaires about which I have been talking.

Another recommendation is decentralization of the penitentiary service structure, and that has not taken place yet, Mr. Speaker. Another is an eight hour day and salaries for inmates, something which perhaps we will have to examine in our maximum security institutions to keep the inmates busy for some time of the day, instead of locking them up in their cells for 24 hours a day. The recommendations also called for the upgrading in quality of prison staff, and obviously called as well for an urgrading of their salaries. I know this is one of the problems in British Columbia where the sheriff's department working at Oakalla are making more money than federal penitentiary guards. That has to change.

I see I have a couple of minutes left, Mr. Speaker. I have completed my remarks about penitentiaries and will continue my comments in the committee hearings that start tomorrow. I saw an ad in the Vancouver *Sun* as I was coming to Ottawa yesterday and I thought it was quite appropriate to the Liberal party whose fortunes are so low in western Canada, at this time. I guess in British Columbia and Alberta they probably rank as the third party, not as the second party any more. This ad states:

> The International Speakers Forum cordially invites you to attend a dinner and speech at the Hotel Vancouver.
>
> The guest speaker will be United States Senator George McGovern of South Dakota. He will take as his subject, "The new administration".

The International Speakers Forum, is an arm of the Liberal party. At the bottom of the ad it says in very fine print, after telling you that it costs $85 per person to attend the dinner:

> $50.00 of the $85.00 ticket price will be treated as a political contribution and receipts for income tax purposes will be sent to each individual purchaser by mail following the dinner.

I think it is a pretty sad day in western Canada, Mr. Speaker, when the Liberal party has to go searching in the United States for a Senator who was thoroughly defeated in a

ly, but they certainly used their money in order to help defeat their government. That is a positive way of doing things. It is better than a negative way which the union leaders of our country are advising right now. They are leading their members down a false path which is getting them nowhere at all, and if they want to change a government they had better use other tactics in the future.

I want for a little while to talk about the inquiry which is being set up into the maximum security institutions of this country by the Solicitor General (Mr. Fox). I want to thank him for following the example set by the leader of my party in setting up a task force in my party to investigate penitentiaries very shortly after the disturbances in the B.C. Penitentiary and the Laval Penitentiary. Our leader showed an example by setting up a committee to try to find solutions to the problem, and we give the Solicitor General credit for following this example. He is new at his job and maybe it took him a few days to get through the bureaucracy before taking the action necessary to set up the committee.

Members who were here in 1972-73 may recall that I proposed a motion in the House that a committee be set up to investigate the question of the security of our penitentiaries. I brought the subject up under Standing Order 26, and a motion was put forward by agreement later that day which resulted in a committee being established to investigate penitentiaries. Members from all parties were represented on that committee. They investigated penitentiaries for more than a year—I do not know with what result, because it does not appear we are getting anywhere with the operation of the penitentiary system right now. But they spent a year going back and forth across the country visiting penitentiaries, coming up with ideas and making recommendations. Unfortunately I do not have the time tonight to discuss the reports in detail, those I managed to get my hands on. I might add that those reports were never formally presented in the House of Commons; the results of their findings were never published.

Anyway, they took a year to do this work, yet the Solicitor General is now asking us to come up with a report by February 28. I really think he must be looking for some kind of report which will cover up what is really going on if he expects us to produce a report so quickly. Nevertheless, I hope we shall receive co-operation from members on the government side of the House and an understanding that if we do not finish our investigation by the date which has been proposed we shall be allowed to continue until the work has been done. It is time we looked closely into the situation and produced positive solutions on a non-partisan basis. I say this because there are problems in the system which we simply must solve and we cannot do so if we sit on a committee on a partisan basis, trying maybe to cover up mistakes in the ministry or in the bureaucracy.

It is our duty to get the facts and come up with solutions, and we in the opposition parties must make sure that those solutions are presented before the government loses power in the next election, and make it known that we support the action which has to be taken and that we approve the expenditure of funds which will be necessary to clear up the mess in our penitentiary system.

I want to show that things really have not changed since that committee was set up in 1973. The members of that committee said the entire system was in disarray. I quote:

> Guards did not seem to understand Ottawa's aims where detention and possible rehabilitation of inmates were concerned.

A recommendation was made along this line at the time to initiate regular meetings between administration and guards to increase their awareness of the objectives of the system. Has this been done? Are guards and administration communicating, and is the administration more aware of the action of the guards than it was in 1973? One member of the committee noted that within our women's prisons there was no program of work or rehabilitation. A further observation urged the Department of the Solicitor General to implement a training program which would encourage inmates to rehabilitate themselves. Has this recommendation been carried out?

It is unfortunate that the recommendations of the committee back in 1973 were not listened to by the government. This makes one wonder whether the committee now proposed will really work. Despite the many committees and commissions which have been set up to investigate in this field,—I have in mind the B.C. Penitentiary riots and the Steinhauser affair—nothing seems to have been done. I myself, as a member of the House, have spent a lot of time visiting penitentiaries, talking to all sides. One of the frustrations which visitors to these institutions encounter is this: the people who work there say they have read all these reports and are aware that nothing has been done about them.

Further in the report by the committee which investigated the situation in 1973, we read that it was no secret then, as it is no secret now, that access to drugs in prison is too easy. One observation was: "In prison there seems to be no problem about obtaining drugs." Apparently the administration accepted this situation because of the pacifying effect on inmates. Well, if that is not encouraging a problem it is certainly condoning one. If you encourage drugs in institutions you are encouraging people who are lowly paid on the scale to smuggle drugs into the institutions. You are encouraging friends of the underworld who are visiting inmates to bring them into the institution.

● (2150)

The pressures that exist in our federal institutions are numerous and well known. The problems brought to light by numerous commissions and sub-committees seem to repeat themselves in most of these studies. But we have yet to rectify the problem. I sincerely hope that we will have the total co-operation of the government, which has insisted on having a majority on this committee. We as an opposition party hope to talk to the Solicitor General about setting up the committee on the basis that the opposition parties may outnumber the government. We would put on the committee members who were sincere in their objectives so that it would show the

English, or to learn English if they are French, or that they must be bilingual.

The current emotional holocaust is so unnecessary. The young people today may survive it because so many of them want to travel, want to learn, want to expand their professional opportunity by learning both languages and more.

I wish all hon. members could have seen the show from an Edmonton classroom where the French language is being studied. One little fellow stood up and said that the fight over bilingualism is a pile of garbage. Another youngster said that he would have a better job opportunity because he has two languages.

Not everyone in English Canada has to learn French, nor does everyone in French Canada have to learn English. I am sure that a small group of public servants, comparatively speaking, are already bilingual, and more are trying. Certainly the children who move through the educational process now will add to this group.

To the western separatists, and this is becoming a powerful movement with some very impressive names, I say that if we balkanize, if we break up into three states or four, or more, we will have to learn French and use French if business and industry want to deal with Quebec. And the Quebec people who talk of separation and think they can be unilingual are also not thinking; they will have to learn English to communicate with the unilingual English nations that were once provinces of Canada, and with the English if they decide to move north and south in their dealings instead of east and west.

And in the west, we 2.2 million people will not be able to afford the expensive road network of a huge, mountainous land mass, nor the education system we now have, nor medicare, welfare, police, courts and all the rest which the tax base from a huge central population now helps us support. In order to exist we may have to unite with Washington and, in turn adopt their more difficult racial problems.

The anger that is now dividing Canada will not have a solution in separation. We will never be as strong divided as we are even now, with all our anguish, anger, and frustration.

Communication as we all know is a binding force—whether it is in the home between members of a family; whether it is in trade unions at the bargaining table; whether it is in a nation of two or more cultures, actually a source of our intellectual and sociological richness.

But conversely, lack of communication can be suicide; destructive of family, of unions and their health, and of Canada. I pray and hope for your prayers with me that we will communicate, that we will stop hating, stop committing national suicide.

Mr. Deputy Speaker: Order, please. I am told there seems to be a disposition not to see the clock in order to allow the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) to speak. The Chair will put the question at ten o'clock instead of 9:45, by unanimous consent.

[Mrs. Holt.]

• (2140)

Mr. Baker (Grenville-Carleton): Yes, Mr. Speaker, there is unanimous consent and I should like to thank the government whip for his consideration.

Mr. Knowles (Winnipeg North Centre): In view of the fact that no one intends to insist on a recorded vote at this time we think it a matter of courtesy that the hon. member should be allowed to speak and that the question be put at ten o'clock.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I should like to thank hon. members for allowing me the courtesy of speaking for the next 15 minutes and winding up this debate. I should also like to thank the hon. member for Vancouver-Kingsway (Mrs. Holt) for cutting her speech short so that I might have this opportunity to take part, and, I guess, I should thank my whip for getting me into the debate at all.

I had intended to deliver a speech on the penitentiary system, but the hon. member for Vancouver-Kingsway touched on a few subjects which I should like to mention before I proceed further. One was the Anti-Inflation Board. She had a lot of ideas, and she knocked the NDP, but what I was wondering, when I was thinking of that protest day coming up, was whether we would not have done better as an opposition—and this applies too to members on the government side—if we had advised the workers that they might have been better off staying on the job that day and protesting by donating a day's salary to the opposition parties in the federal parliament to help defeat the Liberal government which is causing the whole problem.

Mrs. Holt: They would donate it to the NDP.

Mr. Reynolds: I hear someone say they might donate it to the NDP.

Mrs. Holt: They already donate to the NDP.

Mr. Reynolds: Well, I get elected by a big majority in my riding where a lot of the electors are working people who did not want to take a day off on that day. I know they liked the idea of donating a day's pay to the political system, and the irony of this situation is that if they did devote a day's pay toward defeating the government which is causing the problems in this country, the government would have been obliged to return 75 per cent of their donations in tax credit.

An hon. Member: The members of the opposition ought to give one day's pay and show an example.

Mr. Reynolds: I believe a number of people did donate a day's pay. The Premier of British Columbia made it very plain he had donated a day's salary, and I think it was a very good example to the working people of our province. I remember when the teachers of British Columbia wanted to replace a provincial government which they did not like. They donated a day's pay to help defeat the government, and they certainly did defeat it. I do not know what the end result was; I think most of them were back voting for the former government eventual-

for an ouster of the executive but could not get a seconder for the motion because of fear or threats.

• (2130)

The night of October 13 a call came to my Ottawa office from a busdriver who told me that the British Columbia Federation of Labour intended to mount pickets to stop the drivers, and if the drivers tried to move the buses there would be bloodshed. The caller said, "I intended to go to work Thursday, it is my right to work. We voted and I will be there." There was a pause, and then he said, "Mrs. Holt, who will look after my family after this is all over?"

An hon. Member: The Liberal government.

Mrs. Holt: If you people did something positive once instead of tearing the whole of our society apart, we could all live in peace.

Some hon. Members: Hear, hear!

Mrs. Holt: I lived in your kind of society—an NDP society—for three years. It was bankrupt, it was sick, and it was evil.

Some hon. Members: Oh, oh!

Mrs. Holt: I will put that aside for a moment to discuss what might be done to correct the incessant industrial paralysis. I would like a little more time to tell hon. members about a process called "Med-Ar" and a man named Sam Kagel, a leading western American lawyer who specializes in labour relations. Sam Kagel is a legend in the west. I called him the other day to ask him to share his wisdom in dealing with labor strife in Canada. I would like to say what he told me, but I will have to save it for another time since there is another subject that is very important that I think should be discussed. I refer to my concern for Canadian unity.

I feel compelled tonight to deal with the unity of Canada and the suicide course we are on as a nation because we will not understand. Perhaps we are not listening and will not communicate. Many Canadians are uneasy. They are angry because we are making judgments about fellow Canadians without knowing them, and without full knowledge of what it is all about.

Racism is rampant in Canada and it is alive and thriving in this very House of Commons. I hate to say that. This place where we know each other, were we want to understand the great differences that we share in our representation of 264 constituencies, where we are the microcosm of the disparities and the richness of cultural and regional variations, we should be engaged in mending and melding this country.

And I plead with the Fourth Estate up there to use their important communications service to play a positive role—not the game of provocation a few are engaged in—to save the unity of Canada.

Mr. O'Connell: Mr. Speaker, I rise on a question of privilege. I heard with very considerable distress the remark of the hon. member, and it is so recent in my memory that I can quote it, that racism is rampant in this very House of Commons. I hope the hon. member will see fit to withdraw that remark because it seems to be a very general application.

Mr. Deputy Speaker: Order, please. The hon. member is asking the Chair to pass judgment on the hon. member's speech or the validity of her remarks. That is not the responsibility of the Chair. The hon. member is making a point of debate which he can resume at another time in making his own speech. Unless the hon. member has a point relating to the rules, the use of parliamentary language, or reflecting on members of the House or the House itself, this point of order is not valid.

Mrs. Holt: I am sorry, Mr. Speaker. I do not want to offend the House or its members. However, I have heard many remarks here. I, personally, have felt a great deal of it. It is not just on the Anglophone or the Francophone side. It is in other respects as well. It is unfortunate because we reflect the nation.

Mr. Paproski: Just withdraw it.

Mrs. Holt: I will withdraw it and go on and discuss it another day. It is a matter of great seriousness and concern to me that we stand here and do these things to each other.

Even we do not understand it all fully, and many of us who never knew the people of the founding culture until we came here, want to understand. Canadians want their children to live in a single Canada, not Canada dismembered for superficial reasons or because of misunderstanding of what the bilingual program means.

In my constituency office, hundreds of people come in or phone. So often the phrase comes up "jamming French down our throats", a phrase that should be dropped forever from both the English and French language. In fact the other day I heard it from a sports commentator in the United States. It is a terrible phrase, an excessive phrase.

Quebec members keep hearing about English being "jammed" down their throats. No one is jamming anything down anyone's throat. If that were true, we would be a nation with perpetual sore throats and headaches.

Perhaps something is happening to our minds, to our psyches, perhaps even to our souls in all this resentment. It is because we are not communicating. We who are here to represent all Canadians are not saying it clearly and simply: not everyone is expected to speak French. Not everyone must speak English. Not everyone must be bilingual. If we choose we can learn two languages and of course have a bonus in our cultural and communication depth. Perhaps some of those with other cultures in Canada, besides having both of the founding languages, might also have their own and be richer than any of us.

But what a disaster if Canada is torn apart because people really believe that they are forced to learn French if they are

sanctions, pickets, accusations of scab for all who worked that day, and all the devices of the most heinous strike were used, it is strike. It was a deliberate attempt to debilitate, if not tear down the economy of Canada.

The claim was that it was to fight inflation, but the leader of the Canadian Labour Congress, in an address to the trade union congress in Britain told them that really was not the reason; that he wanted the power of the tripartite, that new huge bureaucracy in which he would play a major role in running the economy and the social structures of Canada. It was a great lie, and the workers of Canada were forced to lose a day's pay by intimidation, threat and fear, for this man's power trip.

It was a mischievous and immature act. Perhaps the NDP might know the real reasons since they shared in the conspiracy. Many could perceive it as a conspiracy of subversion to manipulate and force 2.5 million good and responsible citizens, who belong to the Canadian trade union movement, to participate in a project with one goal—a despicable goal—to damage Canada's delicate economy.

October 14 may have had a positive backlash that the CLC, the NDP, and those other few in the plan did not anticipate. The rank and file trade unionists are angry—angry at their loss of freedom—angry at their lost wages, without having a right to vote on the matter. It was a strike with all the goon and bully-boy techniques.

It was rather interesting that the vice president of the CLC called October 14 "Labour's finest hour". God help the mass of people in the trade union movement if things ever get bad and this is the best their leaders can do. I would have thought a more accurate description would be "the nation's greatest industrial abortion".

To enlarge this point: thousands of trade unionists, well aware of the threat to their job opportunities in the future and threats to their very lives and the lives of their families, treated it as an enforced holiday; tens of thousands were deprived of their salaries; not only was there no secret ballot for many but in some cases—and, Mr. Speaker, I can prove this and I am ready to go to court if I am required to—they actually had their ballots torn up by International Woodworkers of America leaders. Is this what they call their finest hour?

There are about 30,000 International Woodworkers of America in British Columbia. They did not get a vote. They were told they must stay off work because their leaders had made the decision. Even with that and with British Columbia being the most militant trade union province in Canada, and Vancouver its front line of militancy, the turnout for this demonstration was 7,000, by a generous estimate.

This might interest those who participated so excitedly in this demonstration: that 7,000 represented half the numbers of buttons I gave out to trade unionists who wanted to go to work. The button said: "I'm going to work for Canada today".

Even more interesting is the composition of the demonstrators—the CLC in the lead, then the communists, Trotskyites, the Maoists, and then the Gay Liberation Alliance! The first groups were together with one cause—disruption of the economy—on the pretext of fighting anti-inflation controls. Hon. members who served on the Standing Committee on Justice and Legal Affairs and heard witnesses for the Gay Liberation Alliance, learned then what controls they wanted removed—controls over their sexual freedom, and the age limit for their sexual partners lowered to 16, as I recall. Thus, to build statistics the CLC and the NDP who were part of it—certainly in the west and here—embraced the Gay Liberation pickets, backed by the NDP—allegedly to fight controls. What controls were they fighting, Mr. Speaker?

In that "finest hour" the CLC had to rent pickets on the prairies. When asked if he would have done it without pay, one of these hired mercenaries in the CLC war on Canada, smiled wryly and said, "I don't think so".

On Parliament Hill newspaper reporters could have counted the demonstrators as easily as we and the police did. The count was 700. The *Globe and Mail*, that great newspaper of record, reported 1,800 on Parliament Hill, and headlined that 1,035,-445 participated in the protest. If they were 200 per cent wrong on the Parliament Hill statistics, then we can gauge their accuracy on the other figures, Mr. Speaker.

Some hon. Members: Hear, hear!

Mrs. Holt: I want to tell one story as an example of the determination of the CLC to stop the workers in Vancouver and possibly throughout Canada. It was an attempt to disrupt transportation in order to keep people from their jobs. The details of the story poured out in my constituency office. It began with one bus driver who came in to get some of the buttons I was giving out, for a group of drivers who were revolting against the executive decision to stop the buses. The stoppage was based on a vote of 69 out of 3,000 members; the membership had not been advised in advance of this June vote.

The drivers posted a petition on the bulletin board near the end of September demanding a full membership right to vote to reverse the decision of the executive. A union official ripped it off the bulletin board. The drivers then circulated it by hand and called a meeting for October 4 because of the massive response. At that meeting all attempts to persuade them to support the executive strike plan failed. Those opposed to the executive were ordered to stand on one side of the room and those who supported the strike on the other. It was deliberate intimidation. But, Mr. Speaker, those wearing my buttons stood together. Suddenly others donned their buttons in protest against this technique, and joined them.

The executive then demanded a referendum for 4 days later—Friday, October 8, because they were not satisfied. Even though they got their troops out, there again an overwhelming majority opposed the executive strike order. The executive would not tell the public or the press the result but I will tell the public and the press, Mr. Speaker. It was a vote of 1,485 to 460 in favour of working that day. The executive is refusing to reveal the results because it was a vote of non-confidence in the leadership. The members tried to get a seconder

part of the government in directly or indirectly supporting research with the provinces into providing adequate and better ventilation in the mines or into providing a mask which miners can wear to protect their lungs. The federal government has also failed to provide compensation to injured uranium miners who come under its jurisdiction. Again, that is a shortfall and a lack of policy on the part of the government.

I could go into all kinds of problems which arise from lack of policy in energy terms. I have spoken about that on many previous occasions. Time does not permit me now to go into the way the Canadian people have been duped by multinational oil companies operating in Canada, how they have deceived this government in terms of the supply of oil we have on hand, or how they have been able to manipulate prices and cause them to rise, to the detriment of Canadian consumers. That is another story for another time. However, in the couple of minutes remaining I would like to make some comments on the issue of bilingualism.

Although the government is a strong supporter of bilingualism, it can be faulted on the way its program has been implemented. I am a personal supporter of the concept that Canadians of either of the official language groups have the right to deal with their federal government in either of those languages, and that support remains unaltered. I support that concept entirely.

However, what I object to is the way the Liberal government has been implementing bilingualism, specifically in connection with language training for civil servants. I have only to quote from the findings of Professor Gilles Bibeau of the University of Montreal who made a study of the bilingualism policy. His report is a damning condemnation of the insensitivity of the government and the inadequacy of the way it goes about implementing bilingual training. The report shows that there was no reason to designate as bilingual most of the positions—

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, first I would like to congratulate our newest member, the hon. member for Restigouche (Mr. Harquail), for moving the motion of acceptance of the Speech from the Throne. I would also like to congratulate the seconder, the hon. member for Lafontaine-Rosemont (Mr. Lachance), our youngest member, who gives all of us who are older such pride and joy in his intellectual insight and diplomatic skills, a promise of great service to Canada, beyond measure at this time.

I would also like to refer just briefly—because my time is limited—to the hon. member for Sault Ste. Marie (Mr. Symes) and to his attack on the anti-inflation program. The government succeeded in doing what the NDP failed to do. Even with labour's excessive demands, and the NDP support of these demands, they failed. The controls increased the actual purchasing power of the dollar 3 per cent, and thus increased the real worth of salaries. So perhaps it is time members of the NDP started worrying about the real truth and about the rank and file of the trade union movement, about whom they seem not to care one whit.

Hon. members of the NDP talk and hide behind the skirts of the old, the poor and the worker, but they would not go and pick one of them—a hungry person fallen on the street or save the threatened worker from the Joe Morrises and his ilk.

Some hon. Members: Hear, hear!

Mrs. Holt: However, to come to the essence of my response to the throne speech, the mood and forces within our huge and disparate land are such that they could even now solidify confederation or tear it apart. Two major factors which affect Canada's future, whether we commit national suicide or whether we pull together, are the essence of what I want to speak about tonight.

● (2120)

We have only one choice, and that is to use our differences as a blend for the greatness, beauty, enrichment, and to continue the building of a strong and unified Canada—this wonderful, wonderful land that so many of us have shared in building, as did our parents and forefathers of many cultures, including the two founding cultures.

One of the two forces that could disrupt confederation is the unreasoning anger and intransigence, born of misunderstanding on both sides of the official languages debate; the other is the senseless strikes in which a few leaders have recklessly, and perhaps deliberately, deprived tens of thousands of workers of their democratic right, the choice to work. You people over there can answer for that. The other day I tried to bring in a motion in this House to protect the rank and file from the threats, intimidation, to give them a free vote in making decisions governing their economic well-being—to give them the same freedom we expect for all our citizens in our democratic society. The only voice opposed was the so-called "people's friend" over there, the NDP. Everyone else in this House agreed that protection of the freedom and the very safety of the rank and file trade unionists was vital.

Today the strike is a needless tool. When the founders of the great institution of collective bargaining risked their jobs and careers, it was important; but today, if both sides negotiate in good faith, they know they can get a contract. They know they do not have to go out on strike and that even if they do strike they must eventually return to the bargaining table. That is where it is settled.

I think the most shocking example of the abuse of the strike tool and also the exploitation of rank and file trade unionists, was the October 14 attempt by the Canadian Labour Congress to mount a national general strike. The leadership would like to dignify it by calling it a protest, but when threats, job

Another study conducted in California involved placing nineteen hyperactive children on the special diet for a period of two to three months. This particular study revealed a significant difference between pre-test and post-test population means. No significant changes were noted by teachers' evaluation.

The validity of these findings is questionable, and has been criticized for the lack of adequate control for dietary intervention and the introduction of numerous biases. These biases occurred by exposing the parents and children to the anticipated outcome of the study at the beginning, by rewarding children for staying on the diet, and by sending an informative letter to teachers reflecting what beneficial effects may be expected.

Perhaps the most significant of all studies is that conducted by a team at the University of Wisconsin. This research, funded by the Food Research Institute of the University of Wisconsin, Madison, represents the first systematic investigation of the hyperactivity-food additive hypothesis. It includes objective psychologic, psychophysiologic and classroom observational data in addition to parent and teacher ratings of behavioural change associated with dietary manipulations. The study was designed in such a way that teachers, parents, clinical investigators and classroom and laboratory observers of the children's activity level were unaware throughout the course of the investigation whether the child was on the special diet or on a diet containing artificial colours and flavours. Both the experimental and control menus were prepared from commercially available food stocks.

Available results indicate that of the 36 mothers with boys in the 6-12 year group, 13 rated their son's behaviour as improved on the special diet, while six rated their child's behaviour as worsened. Of the 30 fathers rating the behaviour of this same age group, 14 rated their son as improved, three as worsened and 13 essentially unchanged. In comparison to the parent ratings, classroom teacher ratings showed a marked decline in the frequency of judgement of behavioural improvement during the experimental diet period. Only six of the teachers rated the child as less hyperactive, 10 rated the child as showing more active behaviour while on the experimental diet, which is supposed to improve the child, and 30 of the teacher ratings showed little change between the two diet conditions. Agreement between parent and teacher ratings of improved behaviour while on the experimental diet occurred in only four of the 36 children.

The observational data collected on a number of behaviours in the classroom and in a standardized laboratory task yielded very few ratings of improvement in association with the experimental diet. Preliminary statistical analysis of these data has been completed and no—I repeat, Mr. Speaker, no—statistically significant diet effect was apparent.

The younger children aged 3 to 6, however, showed a greater positive response on the experimental diet as indicated by parent rating. All 10 mothers in this group rated their child's behaviour as improved, as did four of the seven fathers in this sample.

Thus with the possible exception of the youngest age sample, the preliminary analysis completed to date in the Wisconsin study does not appear to offer strong support for the efficacy of the experimental diet, at least with respect to group effects. The University of Wisconsin research team, however, has repeatedly emphasized the still incomplete status of their project, saying that a number of the objective measures obtained on the subject have not yet been tabulated.

A research proposal was submitted to the food and drug administration of the U.S.A. by Dr. Leon S. Otis, of Stanford University, requesting funds to study development of behavioural aspects of food additives on mice and rats. This proposal has not been funded to date. Members of the National Institute of Mental Health in the U.S.A. and Dr. Frank Cordle of the U.S.A. food and drug administration are not aware of any related studies being conducted at Stanford University. Dr. Cordle is familiar with all interagency funding in the U.S.A.

A study was recently conducted in Canada at the University of Western Ontario to determine the relative effectiveness of dietary and drug management of hyperkinesis. Preliminary findings suggest that the effect of diet was ambiguous. Parents and teachers were of the opinion that dietary infractions involving artificial food colours and flavourings had minimal and insignificant effects.

The aforementioned studies conducted to date clearly indicate the potential difficulties in any attempt to test the food additive-hyperactivity hypothesis. The small sample size used reduces the significance of all findings and makes the use of statistical analysis extremely difficult. Furthermore, the use of outpatients in all these projects makes difficult the control of compliance. Also, specificity of responsiveness must be studied by challenging subjects with individual groups of substances such as artificial colour or flavours or salicylates. Finally, results are meaningless if strict adherence to guidelines is not preserved throughout the entire duration of an experiment.

Several other studies currently under way have been funded by the U.S. food and drug administration. These include a study on the hyperkinetic syndrome in children, being conducted at the Kaiser Permanent Foundation Research Institute in California. The study should be complete in about one year. A second study at the University of Wisconsin is designed to identify children who respond to the K-P diet.

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. member but the time allotted to him has expired, though he may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Baker (Grenville-Carleton): Question.

• (1650)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, now that I have had my cup of tea and a couple of

Arrowroot biscuits, perhaps I might say a word. One thing which is quite clear is that there are not any additives in Arrowroot biscuits which produce hyperactivity or anti-social behaviour. Certainly there cannot be any red dye in Arrowroot biscuits.

This debate this afternoon has been typical of many debates. My friend, the hon. member for Athabasca (Mr. Yewchuk), feels the government is doing far too little, almost nothing, in the field of studying the relationship between food additives and hyperactivity. On the other hand my friend from Halton speaking from the government side assures us that the Department of National Health Welfare is doing everything that needs to be done in this field. I suspect the truth is somewhere in between, and even though the hon. member for Halton (Mr. Philbrook) seened to be making a case that a good deal of research has been done in this field in the United States, which seems to carry with it the suggestion that we do not need to respond to the plea of the hon. member for Athabasca, it strikes me that the wide disparity between the number of additives banned in the United States and the number banned in this country is something that should be considered.

Despite the efficacy of the experiments and research projects conducted in the United States I think we should have our own as well. Perhaps a good place to begin studying diets would be among the now 259 members of the House of Commons. It would be a very interesting study, especially on a Friday, to assess the behavioural patterns of the various members and then to check their diets. So, Mr. Speaker, if we can cut through all the usual confrontation we have had, I believe that the suggestion made in the motion put forward by the hon. member for Athabasca is a good one and I would like to see the House endorse it this afternoon.

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I should like to take only a moment or two to congratulate the hon. member for Athabasca (Mr. Yewchuk) for introducing this motion.

I would point out that in the city of Vernon, B.C., in my constituency, on October 1 an international conference on hyperactivity was held. The conference started off in a small way. A maximum of 500 people were expected. Before the opening evening it was found that the demand was much greater and space had to be added for an extra 100 people. The accommodation provided proved to be inadequate for the number of persons applying to be present and eventually the venue for the meeting had to be changed to a larger auditorium in order to accommodate something approaching 1,000 people. This, I believe, is an indication of the great need that underlies the motion presented by the hon. member for Athabasca.

Although I do not have the time to expand any further on the activities of that conference—and I do not wish to cut off the vote—may I say I know a wide range of speakers was heard from several areas on the very important subject of additives and their relation to hyperactivity. I wish to congratulate the hon. member, and urge that we pass this motion.

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I must also compliment the hon. member for Athabasca (Mr. Yewchuk) for raising this question and bringing it to the floor of the House. I think this is an extremely important area. It is important to look at the question of food additives and their effects, particularly as the number of additives in relation to food is growing at such a great rate.

I am sorry the hon. member was not able to develop his thesis on the relationship between food additives and hyperactivity to the extent I would have liked him to do. I particularly would have liked to have heard him develop the thesis of Dr. Feingold, although the hon. member for Halton (Mr. Philbrook) dealt with that. I think it is a great mistake to assume or to claim, as the opposition tends to do, that we are not interested in this. This is not true. I think the hon. member for Halton outlined in some detail the kind of safety standards we have, the need for nutritive value, the use of additives as preservatives and so on, and the acceptable levels beyond which there is some danger, and indeed the work of the Health Protection Branch.

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock the hour appointed for the consideration of private members' business has expired.

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

HOUSE OF COMMONS

Monday, November 1, 1976

The House met at 2 p.m.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mrs. Jean Pigott, member for the electoral district of Ottawa-Carleton.

I also have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of John C. Crosbie, Esquire, member for the electoral district of St. John's West.

* * *

NEW MEMBERS INTRODUCED

Mrs. Jean Pigott, member for the electoral district of Ottawa-Carleton, introduced by Mr. Joe Clark and Mr. Walter Baker (Grenville-Carleton).

John C. Crosbie, Esquire, member for the electoral district of St. John's West, introduced by Mr. Joe Clark and Mr. James McGrath.

● (1410)

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

SUGGESTED SUPPORT OF CHURCH PROTEST AGAINST PUNISHMENT IMPOSED ON BISHOP LAMONT BY RHODESIA—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, following upon reports that the Rhodesian government has recently sentenced Bishop Donald Lamont to ten years hard labour for failing to report the presence of guerillas in his diocese, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the government of Canada support the protest of the Anglican, United and Roman Catholic churches against the cruel and unjust punishment imposed on Bishop Lamont by Rhodesian authorities.

Mr. Speaker: Order, please. Pursuant to Standing Order 43, such motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSE OF COMMONS

PROPOSAL THAT MEMBER FOR HIGH PARK-HUMBER VALLEY CONDUCT SEMINARS ON HANDLING CONSTITUENCY WORK—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of recent revelations regarding the constituency office in High Park-Humber Valley which is discreetly located somewhere in Toronto, and in view of the hon. member's and his riding secretary's very informative opinion on dealing with constituents, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House instruct the Commissioners of the Internal Economy of the House of Commons to immediately have all members of parliament remove all signs which indicate the nature of their offices, and that the savings incurred by this move be diverted into a fund for the member for High Park-Humber Valley, so that the member from High Park-Humber Valley may give seminars to members of parliament on the handling of constituents and constituents' case work.

Mr. Speaker: Order, please. The hon. member for Winnipeg South Centre (Mr. McKenzie).

* * *

CUSTOMS

ALLEGED ADDITIONAL DUTIES IMPOSED ON AUTOMOTIVE PARTS IMPORTED INTO MANITOBA—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I rise to move a motion of urgent and pressing necessity under the provisions of Standing Order 43. In light of the discrimination being practised by the Department of National Revenue against the automotive replacement industry in Manitoba by refusing to allow entry into Manitoba of automotive parts at the import duty rates being allowed elsewhere in Canada and claiming up to 15 per cent additional import duties on shipments cleared in the Manitoba region and taking into consideration that this puts the automotive replacement industry in Manitoba at a disadvantage with similar businesses elsewhere in Canada, I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House directs the Minister of Finance and the Minister of National Revenue to take immediate action to rectify the unjust and discriminatory import duties being levied against automotive parts coming into the Manitoba region.

Mr. Speaker: Pursuant to Standing Order 43, such a motion can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF REPRESENTATIVES OF VARIOUS LEGISLATURES

Mr. Speaker: Order, please. Before beginning the oral question period, may I take just a moment to bring to the attention of hon. members the presence in our gallery of a very distinguished group of people. I hope I will do them justice in attempting to single out one or two of my counterparts in the provinces. Perhaps the right thing to do would be to ask all of them to stand.

This week we are hosting, as we do every year under the auspices of the Commonwealth Parliamentary Association, the Canadian Regional Parliamentary Seminar. We have invited one representative from the Caribbean Parliamentary Association which is represented in the person of the Speaker of the Barbados parliament, Mr. Speaker Hinds. Mr. Speaker Hinds might now stand up.

Some hon. Members: Hear, hear!

Mr. Speaker: In addition there are members of all provincial legislatures here, some of which are represented by their Speakers. I would ask them all to stand. I can say at a cursory glance that I know it includes Mr. Speaker Smith of British Columbia, Mr. Speaker Brockelbank of Saskatchewan, Mr. Speaker Ottenheimer from Newfoundland, Monsieur le président, M. Lavoie de la belle province de Québec qui est bien occupé maintenant avec tous les autres collègues, and also Mr. Speaker Fox from Manitoba, Mr. Speaker Woodroffe from New Brunswick and Mr. Speaker designate Doucet from the province of Nova Scotia. May I ask them and others with them to stand?

Some hon. Members: Hear, hear!

Mr. Speaker: Oral Questions.

ORAL QUESTION PERIOD

[*English*]

STATISTICS CANADA

REASON FOR FAILURE TO PROSECUTE EMPLOYEES FOR EXTRACURRICULAR ACTIVITIES—AUDIT OF CONTRACTS WITH OUTSIDERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. On October 25 the minister referred to an impending meeting between himself and the Chief Statistician of Canada. In view of continuing revelations in the Ottawa press about the extracurricular activities of Allan Jeffery Associates and, now, the assistant chief statistician, and the issue of whether or not there was tacit or implied consent for those activities by those in responsible positions, can the minister say whether or not the fact that no criminal prosecutions or major disciplinary actions were taken reflects the feeling of the police or law officers of the Crown that it was precisely because there may have been such authorization, tacit or implied, no *mens rea* could exist in the criminal sense and it would have been difficult to secure a conviction?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I already answered this question. I believe the hon. member put 22 questions on the order paper. I hope to answer every one of them by next Wednesday.

About the other civil servant mentioned by name by the hon. member, this person acts as adviser to universities after his working hours without using in any way confidential information related to his position. This civil servant has already made a statement on this matter and I see nothing improper in that, but Dr. Kirkham informed me that new instructions had been issued on this matter and I hope that the integrity of Statistics Canada will be preserved.

[*English*]

Mr. MacKay: A supplementary question, Mr. Speaker. I share the minister's wish and do not intend to reflect on the integrity of Statistics Canada. Is it true that the chief statistician has now ordered an audit of all contracts entered into by Statistics Canada with outsiders? Can the minister give some information as to who is in charge of such audit or investigation and when we can expect its completion. Would the minister be willing to table in the House the results of such an audit?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have personally asked the chief statistician of Canada to carry out a full investigation on possible illegal or improper activities by government employees. His reply was that he was carrying out this investigation. I do not think that public interest would be served by any disclosure, as long as I am not advised that this investigation has been duly completed. However, from my conversations with Dr. Kirkham, I do not feel there is cause for concern about this for the time being, and I am sure that the integrity of Statistics Canada remains intact.

* * *

[*English*]

NATIONAL CAPITAL COMMISSION

ALLEGED OFFERS BY EMPLOYEES OF STATISTICS CANADA TO SELL INFORMATION—REQUEST FOR REPORT

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, may I direct a final supplementary question to the Minister of State for Urban Affairs? Can the minister indicate whether there were any transactions or offers of transactions between Allan Jeffery Associates or people connected with them and the National Capital Commission for the transmission of data for a price, and can the minister confirm that Statistics Canada employees provided information to United States consultants

on a commercial basis while, at the same time, denying information to the NCC?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I would have to check on this information. I have no knowledge of it.

REQUEST FOR TABLING OF CORRESPONDENCE WITH MR. GALLANT CONCERNING ALLEGED OFFER BY STATISTICS CANADA EMPLOYEES TO SELL INFORMATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my supplementary question to the Minister of State for Urban Affairs particularly concerns his last answer. As the House knows from news reports, the then chairman of the National Capital Commission, a distinguished public servant, Mr. Gallant, raised this matter with a senior public servant. I would not think he would have written his letter and communicated as he was supposed to have done without some basis. I say this particularly since the communication, as was alleged in news reports, was such as to shock Dr. Ostry who was then in charge. In view of this communications having emanated from a public servant of the position, standing and prestige of Edgar Gallant, I wonder if the minister who since the news reports came out must have taken the time to examine Edgar Gallant can report to the House exactly what Mr. Gallant said—assuming that such an investigation took place. Also, is the minister in the position today—and if he is not in the position today will he put himself in the position—to table the correspondence which passed between the then chairman of the National Capital Commission, Mr. Gallant, and Mr. Gordon Robertson. Would he do that?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, I will look into the situation. I do not know the circumstances. It is possible I was aware of it, but at this moment I am not sure and would like to refresh my memory.

Mr. Baker (Grenville-Carleton): My supplementary question, Mr. Speaker, is based on the answer the minister gave me today and gave the hon. member for Central Nova. Is it the position of the minister that after all the newspaper reports which have been published about this matter, and the distinguished Mr. Gallant's involvement in it, that he, the minister, is not even in the position to answer the simple question I put to him relating to the facts of this case? Is that the position the minister is in today?

• (1420)

Mr. Danson: Mr. Speaker, it is Monday, and I had a very difficult weekend.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am delighted to know that in the circumstances the minister realizes this is Monday.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I hope he understands the seriousness with which this affects not only Statistics Canada but the reputation of some distinguished public servants in the Public Service of Canada. It being Monday and the minister having been forewarned, will he check the record tonight and be prepared to answer my questions on Tuesday or on Wednesday? I would be satisfied with that.

Mr. Danson: Yes, Mr. Speaker. That was the essence of my answer to the hon. member for Central Nova, that I will look into it and have the information available to answer questions in the House tomorrow.

* * *

CONFLICT OF INTEREST

ALLEGATIONS AGAINST MEMBER FOR CALGARY SOUTH RELATING TO DEALINGS WITH SUPPLY AND SERVICES

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, in the absence of the Minister of Supply and Services, may I direct my question to the acting minister or the Prime Minister. In view of the fact it has come to light that the hon. member for Calgary South participated in and obtained contracts with the federal government through the Department of Supply and Services, the latest being in January, 1975, which the member says he personally helped to arrange, does the acting minister or Prime Minister know whether the officials of the Department of Supply and Services were aware of the implication of negotiating a contract involving federal funds with a member of parliament? If the officials were aware of that, did they bring that information to the attention of the minister? If so, what did the minister do about it? Now that the minister does know, if he did not know previously, what is he now going to do about it?

Mr. Rod Blaker (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I do not know if the hon. member will accept a reply from the parliamentary secretary to the minister in view of the discussion on Friday. If so, I will take notice of the question. Second, I point out to him that the hon. member apparently discussed the matter with the Speaker and the parliamentary law counsel much, I may say, to his credit.

Some hon. Members: Hear, hear!

Mr. Blaker: However, I will pursue the matter with the minister.

ALLEGATIONS AGAINST MEMBER FOR CALGARY SOUTH— REQUEST FOR REFERENCE TO COMMITTEE

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is for the government House leader, but I do not see him here. Possibly the Prime Minister can reply. In view of the fact the government must have all the facts concerning this case in their possession, and the hon. member

for Calgary South has publicly implicated Your Honour by insinuating your blessing on the deal—

Some hon. Members: Oh, oh!

Mr. Rodriguez: You can howl. It is alright for you to complain about conflict of interest on the other side of the House but when the shoe is on the other foot, you squeal.

Some hon. Members: Hear, hear!

Mr. Rodriguez: Will the Prime Minister consider sending this whole matter to the Standing Committee on Privileges and Elections in order to determine whether the hon. member for Calgary South is in contravention of the House of Commons Act?

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, the matter has just been brought to my attention. Like the hon. member, I have read the article relating to this issue. It is one that we take most seriously. I have read all the allegations in the article and can assure the hon. member that this will be looked at very seriously. I accept the proposition which the hon. member has presented. We will look at that seriously as well. I am sure all hon. members are very concerned about the implications in this particular article.

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[*Translation*]

AGRICULTURE

DAIRYING—INQUIRY IF THERE IS A SURPLUS OF PRODUCTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Agriculture.

Considering the contradictory reports on the supply and storage of milk products in Canada, can the minister tell the House whether there are now large quantities of milk products such as butter and milk powder in storage or whether production is in a deficit position? I am asking this question to be able to inform milk producers for the future.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): These figures are made public. There is no shortfall. We have ample butter stocks in storage. We have more than ample skimmed milk powder in storage and if the hon. member knows of any possible sales, or of anybody in need, he should get in touch with the Canadian Dairy Commission.

[*Translation*]

DAIRYING—INQUIRY IF DAIRY COMMISSION HAS MADE PROJECTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary.

Considering the minister's answer, and in order to avoid giving wrong guidance to milk producers in Canada, is the minister in a position to tell the House whether the Canadian Dairy Commission gave the projection for the next few months, to be able to move this production in the right direction?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Yes, Mr. Speaker. That is why the Dairy Commission is trying to develop programs which will provide milk for these companies which are producing specialty dairy products. If necessary, the Commission will be withdrawing the offer to purchase butter and skimmed milk powder so as to encourage companies to go into the manufacture of other products which may be in scarce supply before the dairy year is over, if they have not done so.

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STATISTICS CANADA

POSSIBILITY EMPLOYEES HAD PERMISSION FOR EXTRACURRICULAR ACTIVITIES—REQUEST FOR REPORT

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the acknowledgement today by the hon. gentleman to the effect that the assistant chief statistician in the statistical services field serving in the SX-3 rating with a salary of $43,000 a year is presently engaged in extracurricular activities related to his work within the department, can the minister now tell us whether he has been informed of any partnership this civil servant was engaged in with a senior research advisor, whether he is prepared to table the advertisements which were put out by this business and whether he has questioned the people involved as to whether they had permission either in writing or orally before getting into this business.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): I have looked into this situation and it is a very difficult one. I remember very well when I was a student in law at Laval University that some of the best teachers we had were civil servants coming in to give lessons at eight in the morning. I never felt that because they were getting up in the morning and offering their services to students they were in breach of conflict of interest guidelines. This particular civil servant is an expert in his field. He has helped some universities to develop programs. And, of course, because he was working outside his hours of work, for which he received remuneration, I am having some difficulty in feeling he was guilty of doing anything wrong. I feel we should not deprive the universities of Canada of some of the best brains we have around here when there is no conflict with public duty. I do not want to try to destroy this very good civil servant because he has been willing to help some university, accepting compensation, as long as I am satisfied he has not used any confidential information in the course of this work. If we are to make a ruling in this case, perhaps we shall have to decide that no civil servant can do anything else outside his employment, even be a policeman at the weekends to help in an arena or a stadium. Where is the line to be drawn?

PUBLIC SERVICE

POSSIBILITY OF GUIDELINES FOR EXTRACURRICULAR ACTIVITIES OF EMPLOYEES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Certainly the problem here, as the minister has pointed out, is lack of clarity with respect to guidelines. I am sure they would be the first to want to know what the guidelines are. I ask the Prime Minister whether he has been made aware of these particular activities and whether he condones extra-curricular activities by senior civil servants—whether he would condone them if the material used, even if not confidential, was material obtained at public expense or perhaps in the course of regular employment?

● (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I had not known of these particular allegations until they were mentioned in the House today, but there are guidelines which exist. Whether they should be applied in this particular case in any particular way is a matter that the minister has considered and I abide by his judgment.

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ROYAL CANADIAN MOUNTED POLICE

INQUIRY IF INVESTIGATION OF EXTRACURRICULAR ACTIVITIES OF EMPLOYEES OF STATISTICS CANADA HAMPERED

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct a final supplementary question in connection with this particular matter to the Solicitor General. Would the Solicitor General inform the House whether the investigation by the RCMP in these particular instances was hindered or hampered in any way by the fact that the alleged improper activities by employees of Statistics Canada were reported first to Statistics Canada rather than the RCM Police?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I have no information whatever that indicates that the RCMP would have been hindered or hampered in any manner in connection with this investigation.

* * *

TRADE

REQUEST FOR MEASURES TO CORRECT IMBALANCE IN TRADE WITH UNITED STATES IN AUTOMOBILE PARTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the joint study by the Canadian and United States governments on the automotive industry shows that the Canadian deficit in automotive parts, which reached $2.4 billion in 1975, is already $100 million more than that amount in the first eight months of this year and well on the road to becoming a deficit of $4 billion by year's end, would the minister take the first opportunity on motions to advise the House what his department intends to do to correct this very serious situation, particularly in view of the letter written by the Prime Minister to the Canadian auto parts industry just before he left for Japan, which stated that "there will probably be no immediate action to adjust tariffs to encourage foreign car makers to place more auto parts orders in Canada"?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I agree with the hon. member that the problem is extremely complex: generally speaking, relations between Canada and the United States with regard to the automotive agreement have been good. But the problem at this time is this: we have a deficit in the manufacturing of automotive parts. I must say to the hon. member that we have a large surplus of automobiles assembled in Canada and exported to the United States. The deficit is still considerable. I am now in the process of studying the problem but I must say to the hon. member that I have no magic solution. If the hon. member has one, I should very much like him to tell me about it because I would ask him for his help when possible.

[*English*]

Mr. Hees: Mr. Speaker, I would be glad to call on the minister and give him some ideas because he seems to be singularly lacking in them. He has not answered my question at all. With leadership like this, is it any wonder that the automotive parts industry is in the condition it is in today?

Mr. Speaker: Order, please. The hon. member for Eglinton.

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HOUSE OF COMMONS

PROPOSAL TO TELEVISE PROCEEDINGS—GOVERNMENT POSITION

Hon. Mitchell Sharp (Eglinton): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Paproski: Go get 'em, Mitch.

Mr. Sharp: —this is the first time I have had the privilege of addressing a question to my former colleagues. I would have addressed it to the House leader but since it concerns government policy in general I will address it either to the House leader or to the Prime Minister. Is it the intention of the government to reintroduce the motion to approve the broadcasting by television of the proceedings of this House and, if so, will the government call that motion for debate early enough so that, if approved, all necessary steps could be completed to enable our proceedings to be televised before the end of this parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can say that it is the intention of the House leader to proceed with this. He hopes to be successful well within the framework of time for which the hon. member asks. I do not know if he

has yet had discussions with leaders on the other side of the House and, if so, whether they have indicated a willingness to co-operate, but I hope that would be the case.

* * *

INTERNATIONAL MONETARY FUND

ATTITUDE OF CANADA TOWARD APPLICATION FOR LOAN BY UNITED KINGDOM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Finance. As a distinguished member of the International Monetary Fund, having recently attended the meeting in Manila, I would ask the minister what is the attitude of Canada toward the application of the United Kingdom to the International Monetary Fund to secure some $3.9 billion by way of loan in order to tide the United Kingdom over the serious crisis that it now faces?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should tell the House and the right hon. gentleman that Canada has participated, along with other members of the fund, in standby assistance to the United Kingdom for the past several months by way of a central bank swap. The purpose would be to replace the terms of that swap with a longer term draw from the International Monetary Fund, and subject to the United Kingdom meeting the conditions set forth by the fund we would support that kind of financial assistance to the United Kingdom.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. What is the attitude of the government toward the application for this loan of $3.9 billion? The minister mentions that there would be certain requirements. Is the government of the United Kingdom justified in having the chancellor of the exchequer state that those requirements would place Britain in an impossible position and would not in any way meet the serious situation in which the pound now finds itself, which situation, unless action is taken, may well spread the crisis to other countries?

Mr. Macdonald (Rosedale): Mr. Speaker, I cannot evaluate that at this point. The United Kingdom has been discussing with the staff of the fund the nature of the assistance and the conditions of such assistance. When the staff have completed these discussions it will be a matter of their reporting to the executive board of the fund, on which Canada is represented, to determine the manner in which this assistance would be provided. Then at that time it will be for the government to decide, along with the other executive directors, as to the appropriateness of the terms, given the situation of the United Kingdom.

[Mr. Trudeau.]

NATIONAL DEFENCE

BASE AT EAGLE RIVER, LABRADOR—POSSIBILITY BASE USED FOR PURPOSES OTHER THAN TO TRAIN SEARCH AND RESCUE PERSONNEL

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Acting Minister of National Defence. Can he give the House an assurance that the $340,000 spent so far this year on a search and rescue base at Eagle River, Labrador, which incidentally happens to be one of the best salmon rivers in the area, was in fact used to train search and rescue personnel and not to provide salmon fishing for high ranking military brass?

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, I am surprised that the hon. member has raised a question that has been raised so many times before. I believe he well knows that this is a base for search and rescue operations. It is used about three to four weeks of the year by senior officers from the United Kingdom, the United States and Canada who pay their own out-of-pocket expenses. It is a rather primitive base with two log cabins built, I believe, in the last century, and others are under canvas, so it is hardly a luxury resort. It is used for search and rescue and on occasion senior officers from the three countries do meet there for informal discussions and I hope they catch some fish.

Mr. McGrath: A supplementary question, Mr. Speaker. Is the minister telling the House that, at a time when his predecessor was telling this House that it was not cost-effective to deploy helicopters to Newfoundland, two of these search and rescue helicopters were used over a period of 14 days, during which period they were in fact used to ferry in high ranking military brass for salmon fishing?

Mr. Danson: Mr. Speaker, I think if the hon. member will check he will find that those operations take place anyway as part of the regular search and rescue training. I would refer the hon. member to the time when the question was raised before, when a reporter from the *Globe and Mail* of that great city of Toronto went to see the site for himself and to check out the operations. I have a three page article here written by this reporter. If the hon. member is interested in the facts and wants to judge the source, I would be very pleased to let him have it.

* * *

AIRPORTS

VANCOUVER INTERNATIONAL—SUGGESTED ENVIRONMENTAL STUDIES IN CONNECTION WITH PROPOSED THIRD RUNWAY—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, I have a question for the Minister of Transport regarding the proposed third runway at Vancouver airport. A week ago the minister said that further studies of an environmental nature would seem to be necessary. On September 16, in view of this fact, a spokesman for the government at a symposium in

Vancouver said that an environmental panel had been selected but was no longer in existence. Would the minister tell the House exactly what environmental studies are taking place, and will the public be able to examine and comment on those studies after they have been completed, if they are in fact taking place?

● (1440)

Hon. Otto E. Lang (Minister of Transport): Well, Mr. Speaker, I do not know what the reference would be to the panel that was and is not to be. My view is that the panel that is to be, is still to be and there will be an announcement on that in due course.

Mr. Fraser: Mr. Speaker, in view of the fact that in September a member of the government said to a symposium in Vancouver that the environmental panel had been established but was no longer in existence, I should like to ask the minister if he will make specific inquiries concerning whether or not there is even in fact any work being done now, keeping in mind the fact that this all began three years ago?

Mr. Lang: Well, Mr. Speaker, I have given the hon. member the facts as I have them. I think any reference may have been to previous work in connection with the public participation and the planning for the airport which is all well known to him. There was of course environmental work in that connection, but we have seen the need for some further work before anything further in the way of a final decision is taken. I will let him know where that stands as soon as I have further information.

* * *

TRANSPORT

REQUEST FOR REVIEW OF DECISION NOT TO RENEW SUBSIDY TO NORTHLAND NAVIGATION

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Transport. It concerns the decision to discontinue the subsidy of Northland Navigation. That period ended yesterday and of course Northland Navigation has now laid off 150 employees. In view of the fact that the minister's officials have held discussions over the weekend, will the minister advise the House whether he has reconsidered the decision that was taken not to renew that subsidy? Is the decision final that the subsidy will not be renewed for Northland Navigation on the Pacific coast?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the exact arrangements to ensure that there is no diminution or change in the nature of the service in the area are still going on and I would not want to comment in detail upon them. We have looked at a variety of techniques to ensure there is service, including discussions with the provincial government. These I think likely will lead to a new arrangement with the province with regard to service. We are of course looking at the other carriers to make sure in one way or other that services adequate for the individuals who are involved in the various communities along the shore, up the north and on the Queen Charlotte Islands, are indeed provided.

Mr. Leggatt: Mr. Speaker, would the minister, in view of his answer to the effect that discussions are still going on, be prepared now to advise Northland Navigation not to lay off the 150 employees to whom they have given notice and to hold their decision in terms of their operations on the coast? Is that what the minister is advising the House; that in fact there is some hope now that Northland Navigation will be allowed to continue that service?

Mr. Lang: I am simply saying, Mr. Speaker, that discussions are going on. So far as the particular employees are concerned, Northland itself is quite aware of the state of the discussions and I need add nothing further by way of distant intervention in the discussions.

* * *

SEARCH AND RESCUE

ALLEGED DISRUPTION OF SERVICE AT TRENTON BY MOVEMENT OF HELICOPTERS TO ATLANTIC REGION—GOVERNMENT POSITION

Mr. J. R. Ellis (Hastings): Mr. Speaker, my question is directed to the Acting Minister of Defence. In a move to cover an obvious lack of responsibility in rescue capability which was pointed out last week by my colleague, the hon. member for St. John's East, the minister has moved suddenly and callously Voyageur helicopters from Summerside to Newfoundland, has moved Voyageurs from Trenton Ontario to Summerside and has left Trenton covered only by the "Twin Hueys" which are woefully inadequate for the search work necessary. Accepting the fact that it was absolutely essential to send the equipment to Newfoundland, was it really necessary to disrupt the entire air-sea rescue structure in eastern Canada to accomplish this?

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, my hon. friend has the names of some of the helicopters mixed up. He has interesting sources of information. The point is that when we do feasibility studies we want to check the different movements of various types of aircraft. At least that is one of the reasons we are doing it. Certainly, there is adequate backup for Trenton both from Petawawa and Ottawa. There are other aircraft at Trenton. This is the whole purpose of the feasibility study, to see what the effect of different movement of aircraft is to our response capacity, right down the line.

Mr. Ellis: Mr. Speaker, I would love to challenge in a debate the minister's knowledge of this equipment. In any event, the result of this hurried and poorly thoughtout action will clearly result in the resignation of some senior people who are fed up with the lack of proper equipment.

Mr. Speaker: Order, please.

Mr. Ellis: Mr. Speaker, may I put this: Can the acting minister indicate whether these moves are permanent, whether new or at least satisfactory equipment is to be provided for the Great Lakes area or does he intend to replace everything and leave Canada'a east coast again unprotected?

Mr. Danson: Mr. Speaker, the purpose of the feasibility study is to find out what is feasible.

* * *

INDUSTRY

TEXTILES—POSSIBILITY OF SURVEY TO DETERMINE NUMBER OF JOBS LOST

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and is supplementary to that raised by the hon. member for Wellington-Grey-Dufferin-Waterloo on Friday relative to some 30 job layoffs in the textile industry in his area. Given that more than 200 textile workers were laid off at Celanese Canada Limited, Millhaven, during the weekend and that other similar occurrences are imminent at other plants, has the minister made any assessment, in conjunction with industry, to determine how many textile jobs will be terminated in the next six months?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have no definitive answer to give in that regard. When I was appointed Minister of Industry, Trade and Commerce, I started immediately to look into the matter because, in my own area, many people work for the textile industry; I immediately imposed certain quotas in an effort to limit the number of imports. But, Mr. Speaker, some time always elapses between the time when quotas are imposed and the time when the situation becomes normal. I believe there will be temporary layoffs for a few months, but I trust the imposition of quotas in the last few weeks will have expected results in the coming months. Still, I must admit that in coming weeks there will be layoffs in the textile industry. I trust, however, that the situation will go back to normal a little later on in the year.

[*English*]

Miss MacDonald: Mr. Speaker, by way of supplementary I should like to ask the minister just how many textile workers must be unemployed before the government takes more effective measures to deal with the deterioration in the industry?

Mr. Speaker: Order, please. The hon. member for Vegreville.

[Mr. Speaker.]

ENERGY

HEAVY OIL—MEASURES TO STABILIZE INDUSTRY

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. It has to do with the continuing difficulties experienced in the heavy oil industry, particularly in the Lloydminster area. I want to thank the minister for making the effort to visit the Lloydminster area and look at the situation firsthand. The fact of the matter is that there are now close to 1,000 wells closed. Can the minister advise the House whether any new policy initiatives are being actively considered so that they may be put in place in the immediate future. Further to the 25,000 barrels a day inside quota requirement for heavy oil, I ask if the minister is considering exempting the heavy oil from the quota restrictions or amending the export tax in an effort to stimulate and stabilize this very important industry and thereby avoid disruptions in the economy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am very glad the hon. member has raised this question. I consider it to be a very important potential resource for Canada. I am very hopeful that some of the considerations that are presently being given to this problem both by my own department, by the industry and I hope by the National Energy Board will bring about a solution for this area. I think the 25,000-barrel a day tied quota the National Energy Board introduced for this current month is a step in the right direction. I very much hope that in their own wisdom as they consider the merits of the case—and as you know they are presently considering a number of proposals from the industry—they will consider other measures to help solve a very difficult problem in that part of the country.

• (1450)

Mr. Mazankowski: Am I to take it that we can expect an announcement in the next two or three months about further policy initiatives to be put into effect to alleviate the immediate difficulties which we are now facing because of the drop in demand for heavy oil in the off season period?

Mr. Gillespie: Of course, parliament set up the National Energy Board to deal with these kinds of questions. Hon. members will realize that I have no authority to intervene in these proceedings. I hope that the representations which have been made to the National Energy Board, and the concern which has been expressed by members on both sides of the House on this question, will bear some fruit. I expect that their report might be in my hands in a matter of some weeks, certainly by the end of the year.

NATIONAL DEFENCE

FAILURE TO REINSTATE WILLIAM BIGGS—REQUEST FOR INQUIRY

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence, and it is one of which I have given him notice. Mr. William Biggs, an employee of the Department of National Defence in Germany, was hailed into a German court by the Department of National Defence on two charges. During the investigation he was suspended from work and then dismissed from his employment. He was subsequently found innocent of all charges, but has not been reinstated in his employment. Will the minister undertake to have an inquiry into this matter conducted by an impartial body so that justice can be seen to be done in this case?

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, I am looking into the case of Mr. Biggs. Mr. Biggs' solicitor has been in touch with the Assistant Judge Advocat General. The Judge Advocat General is quite prepared to meet with Mr. Biggs and his solicitor at this time, and I myself am looking into this case personally.

* * *

[*Translation*]

PUBLIC SERVICE

RELOCATION OF DEPARTMENT OF VETERANS AFFAIRS—DISCUSSIONS WITH EMPLOYEES

Mr. Donald W. Munro (Esquimalt-Saanich): I know perfectly well, Mr. Speaker, that it is the Minister of Industry, Trade and Commerce who has been appointed, on a purely personal basis, minister of state for the decentralization of departments.

[*English*]

But since, in the final analysis and as matters now stand, it is the President of the Treasury Board who is in charge of welfare and the working conditions of public servants, I will address my question to him. Is he prepared to state, with reference to the transfer of the Department of Veterans Affairs to Charlottetown, whether there have been any discussions before this announcement was made either with the Public Service Alliance of Canada or with employees of the department, and whether he would be prepared to table the results of those discussions.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, as I indicated the other day, the responsibility for this program lies in the first place with my colleague, the Minister of Industry, Trade and Commerce. There were discussions before that decision was made and, according to my information, these discussions were in fact satisfactory.

VETERANS AFFAIRS

RELOCATION OF DEPARTMENT—REQUEST FOR TABLING OF ANY MEMORANDUM OF AGREEMENT WITH EMPLOYEES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I still think I would like to address a question to the Minister of Veterans Affairs to ask him whether there has been any memorandum of understanding concluded with his department with regard to the fate of these particular members of his department on matters covering guarantees of employment, career security, transfer of homes, and such matters, and if he would be prepared to table such an agreement.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, may I say in answer to the hon. member's question that this has been worked on by my department, by the Treasury Board and by the present Minister of Industry, Trade and Commerce for over a year. All the matters referred to were taken into consideration, such as guarantees of employment, etc. This policy has been proclaimed by the government for some time; it has been in operation, and I have no fears regarding the future employment of these people. They have an opportunity to take the jobs or to move out if they wish, and no great concern has been expressed by my department's employees. This will work out quite well.

* * *

NATIONAL DEFENCE

DATE OF DECISION ON CHANGE IN STRUCTURE AND LOCATION OF BASES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Acting Minister of National Defence, who has left his seat for the moment, I see. Now that he is back, would he advise the House of the stage of his dealings with regard to the change in size, structure and location of military bases in Canada, and would he explain whether a decision is being arrived at within his department or is he at the stage of making recommendations to the cabinet, and will the decision be announced as a total package or will it come in dribs and drabs?

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, I said to the hon. member last week, I think, that some response will be forthcoming sooner or later. I am familiarizing myself with the situation at this time. The response will be forthcoming in a logical way. If it means a blanket statement or one that is properly phased and staged, it will not be in dribs and drabs but it will be done in the appropriate way and in the best interest of the armed forces of the country and the personnel involved.

Oral Questions

CENTRAL MORTGAGE AND HOUSING CORPORATION

ALLEGATION BORROWERS ASKED TO USE LAWYERS SELECTED BY CORPORATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of State for Urban Affairs. Can he indicate whether the government will now renounce the practice of making borrowers from Central Mortgage and Housing Corporation pick from a selective list of lawyers, in effect making a Crown corporation the only mortgage lender in Canada which picks the lawyers for its own borrowers?

Hon. Barney Danson (Minister of State for Urban Affairs): I wish it were Tuesday. I will be pleased to review this with the hon. member. I think he will find that the lawyers for the majority of loans and subsidies placed through CMHC are chosen by the borrowers themselves.

Some hon. Members: Oh, oh!

Mr. Danson: If hon. members are interested in facts rather than fiction, I will be pleased to indicate the number.

Some hon. Members: Oh, oh!

An hon. Member: You don't believe that, Barney.

Mr. Danson: Obviously, Mr. Speaker, the hon. gentlemen opposite are not very interested in the facts.

Some hon. Members: Oh, oh!

Mr. Danson: In fact, the vast majority of loans today are the result of the activities of CMHC which are increasing at an astounding rate, with borrowers choosing their own lawyers. There are selected cases where it would be only appropriate that the lawyer act on their behalf.

Mr. McCleave: Mr. Speaker, I did not hear a word of the answer. Perhaps I had better protect myself by saying ten o'clock and we will see what happens when I read the answer.

* * *

NATIONAL DEFENCE

EAGLE RIVER BASE, LABRADOR—REQUEST FOR TABLING LIST OF PERSONNEL, OTHER THAN SEARCH AND RESCUE PERSONNEL, USING BASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Minister of National Defence, supplementary to the question asked by the hon. member for St. John's East. Since the matter of money which was voted for search and rescue operations, possibly being used for providing holiday accommodation at the Canadian armed forces Eagle River camp in Labrador, has aroused a good deal of concern, and in view of the fact that the government certainly has done nothing to set that alarm at rest, I want to ask the acting minister if he would undertake to table in the House the list of all persons who have stayed at the camp during the past year, other than those who are part of the search and rescue operations, and state the amount of money which they paid for the accommodation as well as the means of transportation which was used to get there.

[Mr. Danson.]

An hon. Member: A good question for ten o'clock on Tuesday.

Hon. Barney Danson (Acting Minister of National Defence): Mr. Speaker, the list of people includes senior officers from the allied forces with whom we work and who have operations at Goose Bay. I do not know if it would be appropriate to list the names of visitors from other countries. The cost for the accommodation is $25 a day. The total cost of the operation is some $3,000 to $4,000 a year. The out-of-pocket expenses are paid by host officers or from their mess funds. The helicopters used to go in there fly on such operations at least twice a day, destined there or to other places, so there is no additional cost in that respect.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Would the minister at least table the number of persons who used this accommodation during this past year? Will he tell us the cost to the Canadian taxpayer of providing this hospitality and whether or not any civilians made use of this fishing resort?

• (1500)

Mr. Danson: I think it would be very difficult to differentiate between those who were on certain rescue operations and those who were guests of senior officers of the Canadian Armed Forces. I think that would be particularly difficult to do, and as far as any cost involved in the operation is concerned, I would be pleased to get that precise information, in addition to that which I have already given, and to make it available to the hon. member.

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COMMUNICATIONS

POSSIBILITY OF PUBLIC HEARINGS ON PAY TELEVISION PROPOSAL—MINISTER'S POSITION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. I would like to ask the minister if any decision has been reached on having public hearings on the pay television proposal and what success she has had in discussions with the chairman of the CRTC.

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, when I delivered a speech on pay television, I had precisely in mind to open a public debate on that matter. So I asked the CRTC chairman permission to receive submissions or briefs from various groups likely to be interested. We have received 91 reports. We are compiling and analyzing them. I do believe we must go on with discussions. As for me, I have

nothing against the CRTC holding public hearings about pay television but it is up to its chairman to make the decision.

[*English*]

Mr. Nowlan: I thank the minister for that answer, as far as it goes, but will the minister use the weight and good grace of her office—

Some hon. Members: Oh, oh!

Mr. Hees: Careful, boy.

Mr. Nowlan: I hope the minister will use grace or the moral suasion of her office, rather than weight, so that some assurance will be given that before this matter gets to cabinet and a recommendation and directive from cabinet is issued, the public, which will be fundamentally affected by this technology or development, will have some say in the deliberative process.

Mrs. Sauvé: While the hon. member decides whether I should use my weight or grace, I will tell him that I am discussing this with the president of the CRTC. There is no question that the cabinet will give consideration to proceeding with public hearings, but it is not improper—nor, indeed, excluded—for these discussions to occur between myself and the president of the CRTC.

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GOVERNMENT ADMINISTRATION

REQUEST FOR STATEMENT ON ALL PHASES OF DECENTRALIZATION PROGRAM

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister. A moment ago the President of the Treasury Board said that it was his understanding that the Minister of Industry, Trade and Commerce was responsible for the first phase of the decentralization program. That admission of uncertainty by the minister concerned as to what he is responsible for adds further confusion to this whole matter, and I wonder if the Prime Minister could give us an undertaking that there will be a statement on motions by either himself, the minister responsible for phase one or the minister responsible for phase two as to just who in the ministry is responsible for all phases of the program dealing with decentralization, what procedures of consultation are in place regarding public servants affected, what departments are under consideration now for decentralization and what sites in the country are being considered now to receive decentralized departments.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is the intention of the Minister of Industry, Trade and Commerce to make a statement on the whole operation of decentralization. The reason the distinction of phase one has arisen is that it is an operation which was well under way and well defined at the time of the movement of ministers. For that reason alone we are talking about phase one. There is no phase two contemplated, but the certainty is—

Mr. Fairweather: Then why say phase one?

Mr. Trudeau: —that I wanted to ensure that this operation, which was begun in the Treasury Board and which is an operation seen as a whole, will be continued by the minister who has been handling it so well and so effectively. When this is terminated, of course, the responsibility for one of the government's priorities, that of decentralization—which incidentally is something the Leader of the Opposition supports and campaigned for in his leadership campaign—

Mr. Baker (Grenville-Carleton): So did Mr. Stanfield.

Mr. Trudeau: —will then return to the new President of the Treasury Board, and whether he wants to contemplate any further action, which presumably would become phase two, is a matter which has not been envisaged, but which he will consider in due course.

MINISTER RESPONSIBLE FOR CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Mr. Joe Clark (Leader of the Opposition): In that same spirit I wonder if the Prime Minister could enlighten the House as to which minister is now responsible for the present phase of CIDA, whether the principle the Prime Minister articulated is going to be carried out and that responsibility for CIDA will travel with the now reinstated President of the Privy Council, and if that is the case, whether it will rest with him or whether that responsibility will transfer back to the Secretary of State for External Affairs.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, because the present House leader had been such an effective co-chairman of the Conference on International Economic Co-operation in Paris, I asked him to continue to be chairman of that operation until the end of that conference.

An hon. Member: Or he asked you.

Mr. Hnatyshyn: If I were Andras or Jamieson, I would be mad.

Mr. Trudeau: The question of CIDA was raised at the same time, and it had been the intention of the department and myself to consider naming a minister expressly for the purpose of CIDA.

Some hon. Members: Hear, hear!

Mr. Trudeau: That proposition has been under examination for several months now. The fact that the cabinet shuffle took place before the decision was actually made led me to discuss with both ministers the possibility of not having a junior minister for CIDA but using the present House leader to continue his excellent direction of CIDA, and that is a matter which is still under discussion between the House leader and the Secretary of State for External Affairs.

Some hon. Members: Hear, hear!

Mr. Clark: The Prime Minister had told us that he does not know which minister is responsible for CIDA—

Some hon. Members: Oh, oh!

Mr. Clark: —and I think the House would like to know who is the minister responsible now for CIDA and whether that responsibility will rest with that minister, whoever it is.

Mr. Trudeau: I assumed that the Leader of the Opposition would have drawn the conclusion from what I stated that there has been no announcement of any change of minister for CIDA; therefore, the Secretary of State for External Affairs is still responsible for CIDA. The Secretary of State for External Affairs has been travelling somewhat, and the acting minister, who is also the House leader, has been answering in his stead.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. BAWDEN—ANSWER TODAY DURING QUESTION PERIOD

Mr. Peter C. Bawden (Calgary South): Mr. Speaker, by reason of the manner in which a question was raised today by the hon. member for Nickel Belt (Mr. Rodriguez), I think it is appropriate to clear the air and deal with this matter by way of a question of privilege in this House so that all hon. members will be aware of all the details and events and there will be no misunderstanding.

Early in 1975, the Royal Canadian Mounted Police contacted Emden Limited, a company of which I am the sole shareholder, concerning the sale of its turbo Beaver aircraft with amphibious floats, skis and a number of spares and expressed a requirement in the exchange that an existing, older piston-engine Beaver aircraft with floats be accepted as a trade-in. At that time I sought legal advice, and after careful review of the Senate and House of Commons Act, I was advised that section 21(a) of that act provides that it does not extend to disqualify any person as a member of the House of Commons by reason of his being a shareholder in any company, except in the case of a company which undertakes a contract for the building of any public work.

It was my desire at that time to have the absolute authority rule on this matter, because two years earlier—in the spring of 1973—another company of mine, of which I am a substantial shareholder, Peter Bawden Drilling Services Limited, sold a twin-engine turbo-prop aircraft to the Ministry of Transport. At that time I acted on the same legal advice. It was my decision, however, to disclose these earlier transactions to Mr. Speaker and to advise him in writing of the sale of the turbo Beaver aircraft to the RCMP. I therefore wrote to the Speaker on January 23. I took this letter to him personally at the meeting in the afternoon of that day. At that meeting, the Speaker advised me that the sale by a company in which a member owned shares would not contravene any of the provisions of the Senate and House of Commons Act.

● (1510)

I asked the Speaker at that time for a letter concerning the matter. He said this would necessitate a study of all the details; that it was a large task, and really unnecessary. He did, however, advise me that he would have Mr. Maingot, legal counsel of the House of Commons, speak to me in this regard. Two weeks ago, in view of the possibility that this matter might be raised, I had a further discussion with the Speaker of the House and I met with parliamentary counsel. At that time, with parliamentary counsel I went over each of the transactions; that is, the sale of the King Air aircraft and the sale of the Beaver aircraft. I also advised Mr. Maingot that Emden Ltd., the company of which I am the sole shareholder, owns a hangar at the Calgary international airport and thus has a lease with the Department of Transport. This lease was inherited from Trizec when Emden purchased the hangar, Trizec being the previous owner, and the lease was assigned entirely in its original form. I further discussed with the parliamentary counsel, at that time, Emden and its subsidiary company, Business Flights Ltd. which offers an aircraft charter service from Calgary and provides for those requesting it a fuelling service and hangarage to a number of tenants and transient aircraft.

I advised Mr. Maingot that from time to time government aircraft used this facility, and that the charter service of Business Flights Ltd. was available and must be available to all, by law, at public and approved tariffs. Mr. Maingot wrote to me on October 27, subsequent to the meeting I had with him when I discussed all of the activities I have just explained. I will quote what I believe to be the most significant paragraph of his letter as follows:

> You asked my opinion whether there was any impediment in law to a member being the major shareholder of a limited company contracting with the government of Canada. The answer which I gave you then, and which I now repeat, is that as long as the contract is between the limited company and the government of Canada, the requirements of section 21 of the Senate and House of Commons Act are met. In such case, the limited company, and not the member, is contracting with the government.

It is my view, Mr. Speaker, that the position of a member in opposition is entirely different from what it would be if one were sitting on the other side and in the cabinet.

Some hon. Members: Oh, oh!

An hon. Member: He said "cabinet".

Mr. Bawden: Mr. Speaker, the companies I have described offer their services on a competitive basis, and I expect that purchasing by anyone, including agencies of the Crown, on the basis that the quality of service and the price is at least equal to and probably better than can be found elsewhere. The same rights apply to oilwell drilling services which are almost always contracted on a competitive bid basis. If the low bid for

drilling the well was rejected, this would likely result in substantial additional cost to the Canadian taxpayer; that is, if a government oil company were involved in the circumstances I have described.

I have been advised, further, that I could have placed the shareholdings of these companies in a blind trust. I have rejected this alternative because I think that it would serve no purpose. In fact, if anything, it would be a sham. It would change nothing, for many of the activities I have described are reported in trade magazines. In the case of small, privately-held companies such as these, no meaningful result is gained from a blind trust.

In view of the fact that this came up in the way it did, I would seek the consent of the House to move a substantive motion of privilege. I, therefore, move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the question of the rights, privileges and obligations of members of parliament granted and imposed by the House of Commons Act and other relevant federal statutes be referred to the Standing Committee on Privileges and Elections, and that the said committee report to this House on the parameters of such rights, privileges and obligations of members pursuant to such legislation.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before the hon. member rose on this question of privilege it was my intention to rise on a question related to the whole matter but one slightly different in emphasis. Some of the comments of the hon. member for Calgary South (Mr. Bawden) make me feel that it is even more urgent that I raise the particular angle that bothers me.

When the Parliamentary Secretary to the Minister of Supply and Services (Mr. Blaker) answered a question put to him earlier today by my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), he said that, to his credit, the hon. member for Calgary South had consulted Your Honour. There may have been more in that sentence, but I think I am repeating faithfully what the parliamentary secretary said when he indicated there had been consultations between the hon. member for Calgary South and Your Honour as Speaker. I am not thinking about the fact that this statement seemed to take the hon. member off the hook. What really concerns me is that the word "consultation" implies advice or consent—maybe even a blessing. If it were true that Your Honour, as Speaker, gave consent or even advice to a member of this House in a matter like this, that in itself would be something very serious and ought to be investigated by the Standing Committee on Privileges and Elections.

An hon. Member: Oh, come on.

Mr. Fraser: That is ridiculous. Where are you supposed to go?

Mr. Knowles (Winnipeg North Centre): My hon. friends say there is nothing wrong with that; it is perfectly—

Mr. Fraser: I said, what is unreasonable about going to the Speaker of the House?

Mr. Knowles (Winnipeg North Centre): Just a minute. My hon. friend can speak if he wishes. It is one thing to go to the Speaker to inform him of something that is being done, and as far as I can sift through it, that is all that happened. If that is all that was done, there is nothing wrong; but it is the suggestion that the Speaker gave an opinion, gave advice or gave his blessing which I think is serious to this House. If there is one thing we have to count on in this House—and I say this to my friend, the hon. member from Vancouver South (Mr. Fraser) and all the others—it is the impartiality of Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The hon. member for Calgary South made a statement just now, and I listened to it very carefully. I did not see in that statement a suggestion that he got a blessing or even advice.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): If that is true, then in the words that the parliamentary secretary used—no doubt innocently, but nevertheless the words that he used—saying that this was after consultation with Mr. Speaker, in itself casts a reflection upon Your Honour and your impartiality. If that is true, then it ought to be investigated.

I did not know, of course, that the hon. member for Calgary South was going to raise a question of privilege. In my own mind I was thinking that I would have to say this is a difficult question because it involves Your Honour, and that you might have to take it under consideration. I am still inclined to say that it involves a good deal and that Your Honour may well have to consider it.

As for the motion that the hon. member has asked leave to move, it seems to me that it is too broad and too general simply to ask the Standing Committee on Privileges and Elections simply to interpret, in a vacuum, the provisions of an act. That is not what is called for in this situation. If anything has to be referred to the Standing Committee on Privileges and Elections, it is the matter suggested by the hon. member for Nickel Belt, namely, the actual sale of certain equipment to the government by the hon. member for Calgary South or his companies.

The more this goes on, Mr. Speaker, the more it seems obvious to me that the matter ought to be investigated, but not in the broad and vague terms that the hon. member has proposed. I also feel that there is something more important than the fact that the hon. member made a sale, or that he is spokesman for his party on supply and services, and all that.

● (1520)

The thing which concerns me most is the impartiality of the Chair. I am quite satisfied, from the way Your Honour has operated, that you would not think for a moment of giving

your blessing or consent to a matter like this. If that is the case, the aspersion involved in the statement made by the Parliamentary Secretary to the Minister of Supply and Services should be corrected.

Perhaps Your Honour thinks that the question, involving yourself as it does, should be held over, or maybe Your Honour wishes to hear other members speak. But I hope the point about which I am concerned, the impartiality of the Chair, will not be lost in the bickering between the government and the opposition with respect to the particular sales that were made.

Hon. J.-J. Blais (Postmaster General): Mr. Speaker, I shall be brief. As your Honour knows, there was tabled in this House a report relating to conflict of interest involving members of parliament. That report was presented because, among other things, it was recognized that there was no mechanism whereby advice could be sought and obtained on issues such as the one the hon. member for Calgary South (Mr. Bawden) presently faces. Like the hon. member for Winnipeg North Centre (Mr. Knowles), I am most concerned because Your Honour is placed in a difficult position.

Having read the statute, but not having analysed it completely, I am of the opinion that we face a legal question of serious import. It relates to the conduct of the hon. member for Calgary South; and I cast no aspersions: evidently the hon. member did quite a bit to neutralize any possible negative effects of this particular action. Nevertheless, we must remember that a section of the Senate and House of Commons Act prohibits members of the House of Commons dealing with the government or benefitting from any contractual dealings with the government. There is no question about it; that matter must be sorted out.

I now come to the hon. member's motion. With respect, I feel that it is altogether too wide. The effect of the motion will be to open up the whole debate which members of this House have faced as a result of the green paper on conflict of interest. I have no objection to the hon. member's motion being referred to the Standing Committee on Privileges and Elections, but I think the hon. member ought to amend his motion so that it relates more closely to the facts of the situation. In that way, the question of the effect of section 16, in light of any other section or language contained in the Senate and House of Commons Act, can be dealt with and disposed of expeditiously. To launch ourselves into a long debate on something which has already been before the House or the privileges and elections committee would not answer our purpose.

Mr. Nielsen: But it was not decided.

Mr. Blais: It was not decided, as the hon. member for Yukon (Mr. Nielsen) has interjected. That is why the Senate report related to the green paper previously mentioned. This is a timely discussion and may well serve a useful purpose. I submit that the hon. member's motion referring this matter to the privileges and elections committee ought to be more narrow; it ought to deal with the specific circumstances affecting the hon. member for Calgary South. Otherwise, we would waste valuable House time and drag this matter out in a way which would suit nobody's purpose, including that of private members of this House.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I was disturbed by the words of the NDP House leader. It seems to me that the tactic of that party is to make an accusation on the one hand and then to scurry away under cover of sanctimonious dishonesty on the other.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I am surprised to note that the motion has the support of some on the government side, since the chairman of the Standing Committee on Privileges and Elections, the hon. member for Lachine-Lakeshore (Mr. Blaker), has indicated that according to his experience the hon. member for Calgary South (Mr. Bawden) acted properly in doing what he did.

Now let me deal with the precise question raised by the hon. member for Winnipeg North Centre (Mr. Knowles) and alluded to by the deputy government whip, the Postmaster General (Mr. Blais), namely, the breadth of the motion. It is not for the Postmaster General to say that the motion as worded would lead to a long, haranguing debate on conflict of interest, because, Mr. Speaker, that matter ground to a halt and was left to die in committee.

Mr. Blais: Come on, Walter.

Mr. Baker (Grenville-Carleton): The question was left to die in committee. It was not brought back to the House of Commons before the end of the last session. So when we hear a lot of verbiage, I can only conclude—

An hon. Member: You are casting aspersions.

Mr. Baker (Grenville-Carleton): With respect, I am not casting aspersions. I say that the only matter before us is section 16 of the relevant statute mentioned. That question having been brought to the fore by the motion put by the hon. member for Calgary South, a motion which has to do with circumstances as they affect him, it is important that we engage ourselves in this debate. I say this because, as I look around the House of Commons, I note many members who are justifiably and honestly concerned about conflict of interest and how such conflicts may affect the carrying out of their duties. If we were not concerned about such conflicts, we would not be worthy of being members of this House. In that sense, I hope I speak for all hon. members when I congratulate the hon. member for Calgary South for facing the problems confronting him and asking us to do something about it.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Next I raise the position of the Speaker of this House. What is the Speaker of the House

of Commons? Our Speaker in this House represents a constituency, as does any other hon. member. He knows the difficulties of his own riding, and faces them. But he has been chosen by the members of this House to preside over their sittings and deliberations. He is still a member of parliament, in the full sense of the word, as we are. He is not superior to us except by virtue of the dignity of his office. Otherwise, he is a member of his House. What is more, he is a servant of the members of the House of Commons. If members of parliament who face a difficult situation cannot, in our parliamentary system, go to the Speaker for advice, I do not know to whom they could go; I do not know to whom they could speak in the House. Surely this is not the first time the Speaker has been approached by a member of parliament for advice. This is not to suggest lack of impartiality, discrimination or anything of that kind. It means that we look upon the Speaker as one whose judgment is trusted. I assume that is why the hon. member for Calgary South went to the Speaker.

I do not know what the investigation of this matter will show, but I am satisfied it will show that the hon. member was advised to talk to parliamentary counsel. That would not have been an unreasonable suggestion for the Speaker to make. The hon. member did this; he got advice from parliamentary counsel who is a servant of this House in its corporate sense. The hon. member acted on that advice. Like all hon. members who from time to time become involved in situations of this kind, the hon. member acted. I think he took the proper course. To put it bluntly, we ought not to nit-pick about terms of reference.

• (1530)

The motion that has been put forward allows this particular conflict of interest to be dealt with. If, in the course of dealing with this alleged conflict of interest, there is something broader with regard to the whole study of the matter, then the Standing Committee on Privileges and Elections does not need to come back to this House to get further terms of reference.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): I think that makes eminently good sense. I urge all of my colleagues—

An hon. Member: What about members on this side?

Mr. Baker (Grenville-Carleton); The hon. member speaks of hon. members on the other side of the House. In my judgment, and for the purpose of my remarks, backbenchers on the other side of the House are in no different position from members on this side. There must be a difference in terms of the cabinet, but not in terms of backbenchers. I think that is what the hon. member for Calgary South said. I invite hon. members to check *Hansard,* where they will see that is what was said.

Given that set of circumstances, and given the importance of allowing this matter to go to the committee, we are not only doing a colleague in the House a disservice by arguing and debating the terms of reference in a narrow sense, but perhaps we are doing this institution a disservice if we do not allow this motion to go now in the broad sense in which it is couched.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Before we go further with the discussion, there is a fundamental point of difficulty here. The matter has been raised by the hon. member for Calgary South (Mr. Bawden). He has said, in the terms of the motion which he proposes to put before the House, that he will do so if he has the consent of the House to put the motion. In his motion the hon. member is dealing specifically with the question raised by the hon. member for Nickel Belt (Mr. Rodriguez), which was the question alluded to at the start. The terms of the motion, obviously, deal only with the question which concerns the hon. member personally.

What the hon. member is endeavouring to do by the terms of his motion is, with the consent of the House, to have the House order an investigation into the general question of rights and privileges of members with regard to contracts with or sales to the Crown, bearing in mind the Senate and House of Commons Act. Therefore, what I have to decide at this point is whether the hon. member has the unanimous consent of the House. I allowed the question to go on in order to attempt to define itself. I also had some idea that others may be raising questions of privilege relating to the same subject. It is now getting into a general discussion as to whether the motion ought to be put, whether it should be referred to or put to the House for a vote.

The fact is that discussion is very much germane to a specific question of privilege by a member which requires the Chair to decide whether there is a prima facie case of privilege which ought to stop the proceedings of the House and be put to the House for decision. The difficulty at this moment is that the Chair has not been asked to make that decision: it has not been asked to put a question to the House with regard to a question of privilege but, rather, has been asked to seek the unanimous consent of the House that this general matter be investigated.

The terms of the motion which I have before me reads in part:

I seek the consent of the House to move a substantive motion of privilege as follows:

That procedure is somewhat different from regular questions of privilege. I have difficulty in letting the discussion go on too long, because consent of the House has been sought. Rather than an extensive discussion on the merits of the motion or the merits that would ordinarily follow, if it were an ordinary question of privilege put forward with respect to a specific member's complaint, seeking within the bounds of a question of privilege that a decision be made by the Chair as to whether to put the question to the House, we would be in a different situation.

In view of the fact that I am really being asked to look for the consent of the House to refer this general matter, I feel I ought to ask whether the hon. member has the consent of the House which he seeks. The hon. member asks consent to put a

motion which is as follows: Moved by the hon. member for Calgary South, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the question of the rights, privileges and obligations of members of parliament granted and imposed by the House of Commons Act and other relevant statutes be referred to the Standing Committee on Privileges and Elections, and that the said committee report to this House on the parameters of such rights, privileges and obligations of members pursuant to such legislation.

Does the hon. member have the consent of the House to put that question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Blaker: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Lachine-Lakeshore (Mr. Blaker) was seeking the floor on a point of order. I did not hear the response to the question. Does the hon. member have the consent to put such a question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

Mr. Blaker: Mr. Speaker, I rise on a point of order. I know that under the rules of the House it would be improper for me to refer to the decision just taken with respect to the question of privilege. However, I wish, under a point of order, to establish that the answer I gave was in some measure either misquoted or misunderstood. I shall be brief. I do not want to be a contributor to the issue, but because of the fact that I used certain wording in my response to the hon. member for Nickel Belt (Mr. Rodriguez), I wish to review it so that hon. members are "au courant", so to speak.

The hon. member for Nickel Belt asked whether the Department of Supply and Services, or the minister thereof, was aware of certain problems relating to a sale made by the hon. member for Calgary South (Mr. Bawden). I gave a three-part answer. I would like to advise hon. members very clearly of the words that I used. I said, "I do not know if the hon. member will accept a reply from the parliamentary secretary, but if he will do so, I will take notice of the question. "Second, I pointed out to him that the hon. member apparently discussed the matter with the Speaker and parliamentary law counsel. That was the second part of the answer. As it happened, I did not use the word "consult" with regard to yourself, Mr. Speaker, or the parliamentary law counsel; I used the words "apparently discussed". The third and final comment I made in my reply was, "However", I will pursue the matter with the minister."

To the extent that my reply is in any way contributing to a question of privilege raised by the hon. member for Winnipeg North Centre (Mr. Knowles) or the hon. member for Calgary South, I want to say on this point of order that I used the words "apparently discussed".

[Mr. Speaker.]

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on the same point of order. I want to express my personal thanks, and I am sure I speak for the hon. member for Calgary South (Mr. Bawden) and all my colleagues, for the clarification that has just been given by the parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): In view of that clarification, I wonder whether Your Honour would see fit, or whether the House would be agreeable to put again the question which was denied a few moments ago, to see whether there is unanimous consent.

Mr. Speaker: The hon. member for Calgary South sought the consent of the House. Consent was asked for; it was not forthcoming. Similar motions, although different, are not restricted in their scope and can be put at different times by different members. However, I do not see any procedure by which I can repeatedly put a question for the seeming consent of the House when, in fact, consent has been denied.

* * *

PRIVATE MEMBERS' BILLS

TABLING OF FIRST REPORT OF EXAMINER OF PETITIONS RESPECTING BILL SUBMITTED BY IAC LIMITED

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the first report of the examiner of petitions for private bills relating to a bill submitted by IAC Limited.

* * *

PRIVILEGE

MR. NIELSEN—CROWN-GRANTED FEDERAL LEASES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question of privilege arising out of similar circumstances. If any further consideration is being given with regard to sending to the Standing Committee on Privileges and Elections the reference in the terms made by the hon. member for Calgary South (Mr. Bawden), I hope that the privilege being raised by me now might be taken into account. Hon. members might think that the only purpose to be served in reference to a standing committee would be the specific instance which was raised today concerning the hon. member for Calgary South.

Hon. members who were here at that time will remember that a reference with regard to my right as a member of parliament to purchase lands from the Crown was made to the Standing Committee on Privileges and Elections a few years ago because upon application I was refused that right by officers of the federal government on the basis that I was a member of parliament. The standing committee rectified that in short order by saying that rights of members of parliament in that regard placed them in no different position that any other Canadian. However, since that time I have seen, in

Crown-granted federal leases, a provision written right into the lease that no interest in that lease can be held by any member of parliament. The same is true with any agreement for sale or purchase of lands from the Crown. No interest in that agreement for sale can be had by any member of parliament. These are federal documents of which I am speaking.

I was once refused the right to participate as a member of parliament, because I was a member of parliament, in a Crown Assets disposal sale. I think I should have the same right as any other citizen to bid on the disposal of such assets. I should have the same right to participate in a lease from the Crown or an agreement of sale from the Crown. I also wonder about the rights of members of parliament with regard to CMHC retainers.

The three examples I have given are those in which I have acted in my own personal circumstances. I was refused the right to participate in that kind of transaction. Using the Senate and House of Commons Act as prohibition against my so participating because I am a member of parliament is absolutely wrong. This applies to all members. They may not think so, but it does. I urge any member to try and take out a lease with the Crown where they are paying the Crown money; they cannot do it. Try to buy some land from the Crown under an agreement of sale; see if you succeed in that.

Some hon. Members: Oh, oh!

Mr. Nielsen: Hon. members who say they are not interested, do not live in areas where there are substantial Crown lands and the only place you can buy land is from the Crown. These are matters of very real concern to all members. Questions such as these can only be determined by an inquiry into the general rights, privileges and obligations of members, not one specific member. Therefore, the reference that was attempted by the hon. member for Calgary South in moving his motion to get the whole question before the standing committee is one to which I look forward. It would clear up this kind of thing, the application of federal legislation toward members of parliament.

Mr. Speaker: Order, please. The hon. member sought the floor and has been recognized on a question of privilege. The question of privilege, if it does exist, would interrupt the proceedings and permit some question to be put which are out of the ordinary. While the hon. member may be developing a very interesting point, so far he has brought no immediacy to the question of privilege that he has in mind, and I would welcome his doing so.

● (1540)

Mr. Nielsen: Mr. Speaker, I thought I was doing that. Your Honour must have missed the main thrust of my question of privilege. I am sure Your Honour remembers the reference made to the Standing Committee on Privileges and Elections respecting my right as a member of parliament to purchase Crown lands. This was ruled by the Chair a valid question of privilege and was referred to the standing committee, which reported back to the House that a member of parliament had the same right as any other citizen to purchase federal lands.

My question of privilege today is that because I am a member of parliament I am refused participation in a lease of land with the Crown, which is the same question that was ruled on as being a valid question of privilege, as Your Honour will recall. Because I am a member of parliament, I am also refused participation in an agreement for sale with the Crown, which raises the same sort of question of privilege. That is the thrust of my privilege, and if I move a substantive motion which is based on the previous precedent in this House, the matter will go before the same committee.

Therefore, why should it not go before the committee as a general, broad question? The only reason that I do not move a substantive motion is that I believe the whole broad question should be referred to the standing committee, and I was looking forward to that motion being accepted by the House. When a similar motion goes forward, if it does, by the deputy House leader, I hope that it will be broad enough to include that kind of general inquiry into the rights, obligations and privileges of members of parliament under the Senate and House of Commons Act. It should not be specifically directed to the one question because there are other privileges of members involved here.

Mr. Speaker: Order, please. I think we had better keep our proceedings on tracks. The hon. member for Calgary South sought the consent of the House. He did not get it. If other members wish to seek the floor to raise a question of privilege, surely they must be aware that if they wish to stop the proceedings, have the Chair put the question immediately and take precedence over every other piece of business before the House, there must be a motion related to the specific matter that asks the Chair to put the question. If there are other substantive motions of a general nature, they can be put to the House at any time in the normal way. There is no restriction on the scope of any motion that the House may want to put from either side, with the proper notice and within the normal terms of the Standing Orders.

The question that the Chair always has to decide is whether there is, in fact, a question of privilege which ought to stop the proceedings, take precedence and be put to the House for a decision. If other hon. members want to make a contribution at this time on a question of privilege, I will have to insist that there be some definition of a question of privilege in order to enable me to decide whether or not that ought to take place. If there is to be discussion of a general motion of some sort, that general motion will have to come before the House, however desirable it might be, in accordance with the general application of the Standing Orders.

Mr. Blais: Mr. Speaker, I simply want to correct two impressions which have been left by hon. members—

Some hon. Members: Order.

Mr. Speaker: Order, please. Presenting reports by standing and special committees.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I rise on a point of order. My point of order is that I was one of the first members of the House to rise on this matter, and I think it only fair for me to get recognition on this particular point.

Mr. Hnatyshyn: The press gallery has gone home now.

Mr. Leggatt: The hon. member may make all the snide remarks he wants, but out of fairness I ask for recognition as a member of the House. I might say, Mr. Speaker, that I was prepared to put a specific motion before the House exactly in accordance with Your Honour's warning that we were getting off the point and into a very general area. It seems to me worth while to have the House come back to the point, which concerns the delicate position in which we place the Speaker of this House when this kind of problem arises in the media. I want to deal with that aspect briefly and also put a specific motion to the House so as to get this matter back on track. Therefore, I wonder whether Your Honour would recognize me.

Mr. Speaker: In the circumstances, it appears to me that the hon. member for New Westminster (Mr. Leggatt) may have a separate question of privilege altogether. That I do not know; I have not heard it. In any case, the reason I did not go on to recognize other hon. members is that the hon. member for Calgary South (Mr. Bawden) had not put to the House a question of privilege in the ordinary sense but, rather, had sought the consent of the House. I therefore felt that we should not get into a discussion as to whether or not consent is forthcoming. When consent is sought, it is asked for; if it is turned down, the House goes on to some other aspect of its business.

As for the motion before the House, putting forward a potential question of privilege is quite a different situation. If that is what the hon. member for New Westminster is seeking the floor on now, I will be glad to see him.

Mr. Leggatt: Thank you, Mr. Speaker. I did not want the House to get back to the point made by the hon. member for Winnipeg North Centre (Mr. Knowles). This question comes about as a result of a report in the Ottawa *Journal* which simply said that the Commons Speaker denied that he sanctioned a business transaction, and then goes on to say that "Mr. Bawden said earlier this week the sale for $120,000 and the trading of an aircraft by Emden Limited, a company owned 100 per cent by the Bawden family, to the RCMP was cleared through Mr. Jerome".

I accept completely what the hon. member for Calgary South said today, but I think what we as House should do is to attempt to avoid this kind of conflict between Your Honour and any member being dealt with in this way, because it is very erosive of the kind of objectivity that must be in the House at all times if this House is to work. Therefore, it was for the purpose of protecting Your Honour that this matter was raised.

I must say I was sorry that I did not hear the hon. member for Calgary South deal with that aspect of the news report. I wish he had dealt with the question of what appears to be a conflict between reports in the press concerning what was done and what was not done with regard to the Speaker in the course of this transaction. I am sorry the House rejected the previous motion, but I should like to take another crack at it. Therefore, I would move, seconded by the hon. member for Nickel Belt (Mr. Rodriguez):

● (1550)

That this specific matter be referred to the Committee on Privileges and Elections for study and report and that a report be made re-examining the role of the Speaker in these kind of problems so that a repetition of them will not occur.

Mr. Baker (Grenville-Carleton): I do not want to add to what has happened here today. This is, quite frankly, becoming just a bit of a comedy. But if the Chair needs any defence, I will rise to the defence of the Chair in terms of what happened in this particular matter, because I must say that if we have come to the position where we cannot, as members of parliament, talk over some personal difficulty with the first Commoner, we have fallen into a sorry state.

In any event, I doubt the propriety of the motion being put forward. Your Honour would, of course, have to ask for consent in this matter and, frankly, I am not inclined to give it. My hon. friend from Yukon (Mr. Nielsen) has just drawn my attention to the significance of Standing Order 17(2) in the matter. I think it would perhaps be best if we all sat back and realized we are not talking about a narrow partisan issue, even if it did start out in that way.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): We are talking about the privileges, not of one member of parliament but of all members of parliament, and I would hope that, given a period of grace such as might be provided by the rest of the afternoon and this evening, those who are opposed to us on the other side might change their views on the particular motion which is presented. As I tried to say—and I do not think this was lost on hon. members; certainly it was not lost on the hon. member for Lachine-Lakeshore (Mr. Blaker)—once the committee got into a matter of this nature it would be coming back to the House to broaden its terms of reference anyway.

After the subject had been examined in the broadest way, members of parliament would have available to them a reasonable guide, something they do not have now, and I think it is important they should have a guide in the particular part of the twentieth century in which we live.

Mr. Blais: Mr. Speaker, I rise simply to repeat that the government is presently considering two reports, one from the House of Commons and the other from the Senate, relating to conflict of interest. One is the product of the Committee on Privileges and Elections. The debate has taken place in the Committee on Privileges and Elections and in this House. That matter has been disposed of and there is no need now to have a general, wide survey or study of the matter. This seems to me to be self-evident.

Mr. Blaker: I want to make only a brief intervention on this subject. I would not have been content with the motion originally proposed by the hon. member for Calgary South (Mr. Bawden). I do not know whether he was aware that the Committee on Privileges and Elections, of which I happen to be the chairman, has spent many months on the whole subject of conflict of interest. The Leader of the Opposition (Mr. Clark) was one of the members of that committee, and we worked to do the best job we could. I believe we did a fair job.

On the second matter, I should like to agree with the hon. member for Grenville-Carleton (Mr. Baker). The proposal by the hon. member for New Westminster (Mr. Leggatt) does not in my mind constitute a question of privilege, though it does seem to place Your Honour in the position of having to appear before a committee and go through all the details concerning the theory of privilege.

There is, however, a simple solution which I would propose. We on this side would have little hesitation about agreeing, should the hon. member for Calgary South wish to send the matter—not the general matter, but the specific matter he has raised and which is referred to in the *Globe and Mail*—to the Committee on Privileges and Elections. We on this side would certainly extend that courtesy to him so that he might be heard and so that he might redress any unfairness or injustice which he may feel has been done him. But these general motions get us nowhere at all, and I do not think I could support the one suggested by the hon. member for New Westminster.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I thought I should say a few words on this motion of the hon. member for New Westminster (Mr. Leggatt) because I raised a question today in the question period for very good reason. At this time we hear all sorts of things outside the House about politicians and the way we go about doing our business. I am concerned when I see the Edmonton *Journal* and the *Herald* carrying all kinds of headlines. There is a feeling outside this place that the House of Commons is a club and that a member of the club can get all kinds of things out of the club if he behaves himself. This bothers me, as a relatively new member of the House; I am concerned about this.

I am also concerned about Your Honour's position. You are impartial. You have no voice to defend yourself when headlines scream. "Jerome denies sanctioning Bawden deal", and when a report goes on to say, "Bawden says he has received a very positive response from the Speaker about the situation." When these things start to run around in a community, I am concerned because they erode the confidence of the people in their leaders—and we need only look to the south to see what happens when confidence is eroded, especially with respect to those who are supposed to be impartial. I raised the matter in that spirit. I know it is said outside the House—although I do not necessarily think so—that the Conservative party is forever stirring up scandal in the House of Commons, and I thought this was a wonderful opportunity to put the matter before the Committee on Priviliges and Elections and let the word go forth throughout Canada that there was nothing unbecoming or unseemly in the case of the hon. member for Calgary South (Mr. Bawden).

One report quotes the House of Commons Act and gives the impression to the people at large that a member who has shares in a company cannot deal with the government even through his company. The newspaper says clearly that there must be no direct or indirect contact with the government with respect to any deals involving members of the House of Commons. I know Your Honour would appreciate an opportunity to come before the committee and tell the committee your side of the story with respect to this situation. We heard the hon. member set out his own position this afternoon. He is an honourable gentleman, and I accept what he has said. But there is an impression left in the mind of the public, and I think that impression should be cleared up to the satisfaction of all concerned. That is the reason I support the motion of my colleague, the hon. member for New Westminster. That is the committee set up by parliament, and that is the committee which ought to consider evidence from all those concerned and should make a decision one way or the other.

● (1600)

Mr. Speaker: Order, please. Whether or not it is an inviting opportunity for me or for any other member of the House of Commons to clarify this matter, the fact is that if this is to be done it will have to be done correctly. We have never accepted, as a prima facie question of privilege—if that is the proper term—a motion which describes anything in terms of saying "this matter be referred". That is a luxury of terminology which has never been allowed. "This matter" obviously has a different definition to individual members who use the words. If there is a specific matter which by its nature is such as to qualify as a question of privilege, and therefore deserving of being presented to the House for decision, then that matter will have to be clearly defined in terms of the motion.

I must say that neither do I find it inviting to consider, as a question of privilege of an emergency nature, that an investigation ought to be made by a standing committee, no matter how inviting an opportunity that might give me to state my side of the interpretation of the conversations that have been alluded to by the hon. member for Calgary South (Mr. Bawden). If that is to be done, surely it will not be done on an emergency basis by a standing committee to investigate the role of the Speaker vis-à-vis the members of the House of Commons.

If there is a desire, as there seems to be on all sides of the House, that this matter be referred to a committee, or that it be taken under consideration in some way, it seems to me that some reflection and some careful draftsmanship concerning the kind of motion to be undertaken by the House really will do the House a great deal of good, and in the circumstances I think the matter ought to rest there at this moment.

Order Paper Questions

BRETTON WOODS AGREEMENT ACT

AMENDMENT TO INCREASE SUBSCRIPTION TO INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Hon. J.-J. Blais (for the Minister of Finance) moved for leave to introduce Bill C-18, to amend the Bretton Woods Agreements Act.

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

* * *

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

Hon. James Hugh Faulkner (for President of the Treasury Board) moved for leave to introduce Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures.

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

* * *

AUDITOR GENERAL ACT

MEASURE RESPECTING OFFICE OF AUDITOR GENERAL

Hon. J.-J. Blais (for President of the Treasury Board) moved for leave to introduce Bill C-20, respecting the office of the Auditor General of Canada and matters related or incidental thereto.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all questions be allowed to stand.

Mr. Knowles (Winnipeg North Centre): No.

Some hon. Members: Agreed.

[Mr. Speaker.]

GOVERNMENT ORDERS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs) moved that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, it is naturally a great privilege for a relatively new minister to introduce a bill in parliament, especially his first. The bill is of very great importance to an enormous and ever-growing number of Canadians who borrow and deposit money. The complex and novel approach of this bill is the product of considerable effort by the officials of my department. I am grateful to them for their dedication, as I am to those of my predecessors who as ministers advanced the cause to this point. Naturally, no bill such as this would be brought into being without exhaustive and careful discussions with officials of other departments. Needless to say, the Department of Finance played a particularly vital and important role in the discussions. I am most grateful for the co-operation of all the officials involved.

In placing this bill before the House, I would not wish to leave the impression that Canadians are ill-served by the overwhelming majority of their lending institutions. Our banks are rightly acknowledged as some of the largest and best run in the world. Other lending institutions serve effectively and honestly the credit needs of Canadians. If the impression has been created that the government believes otherwise, I would like to correct such an impression at the outset.

It gives me gratification that this bill is one that promises to be a considerable advance in social legislation, and it should appeal to and win support from all sides of this House and from Canadians generally. The legislation is long overdue.

Mr. Grafftey: You can say that again.

Mr. Abbott: The legislation is long overdue. The field of interest, under the British North America Act, falls within federal jurisdiction. The existing legislation dealing with this area is hopelessly out of date. The Interest Act was last amended in 1917. The Small Loans Act has not been amended for 20 years. In the last 30 years alone, total consumer debt—not including mortgage debt—has increased from less than $1 billion to more than $23 billion. More than 65 per cent of that increase has occurred since 1967. Today, excluding mortgages, consumer debt represents more than 22 per cent of our total disposable personal income. In the period from 1947 until 1975, non-mortgage debt has increased fully three times as quickly as income.

[*Translation*]

In light of that spiralling increase it is obvious that the government must take its responsibilities and examine the existing legislation to guarantee consumers feeling such a weight all the protection it is able to give them. This bill is not only the result of such an examination but also the result of a vast consultation with consumers, lenders, deposit institutions and provincial governments across Canada. It was not always possible to incorporate their ideas in our proposals but we considered all their suggestions carefully.

[*English*]

The bill has three main goals. The first is to impose uniformity in the practices used for the calculation, crediting and description of interest on all those who take deposits from or make loans to consumers in Canada, and to require a full, uniform and comprehensible disclosure system so that the consumer, before he enters into a deposit or borrowing transaction, will know all his rights and the obligations he will have to bear. The second goal is to faciliate the proper functioning of the market by encouraging more vigorous competition and providing the consumer both with protection and with the right of civil recourse. Thirdly, this bill will establish a clear and easily provable criminal offence to act as a strong deterrent to the cancer of loan sharking that has spread throughout this country.

● (1610)

May I speak first about deposit protection, since it is a clear demonstration of the purposes of this bill. At the present time in Canada there are many different formulas for the calculation of interest paid on deposits. For exactly the same amount of money deposited, a quoted 8 per cent rate, using one formula, will provide a much different interest payment than another quoted 8 per cent rate that is calculated differently. Both rates are arguably and legally 8 per cent. We do not believe that this kind of confusion serves the interests of the consumer. The bill, therefore, requires that a uniform formula for calculating and crediting interest on deposit accounts be used.

In practical terms, this will mean that for the first time, whenever two deposit-taking institutions both offer an interest rate of 8 per cent, the consumer will get a true 8 per cent return, no matter which institution he selects. This represents plain common sense. The cost of loans is also the subject of far-reaching reforms. The bill defines loans in such a way as to include, not merely formal cash loans negotiated from lending institutions but also other consumer credit vehicles such as department store credit cards. The first and most basic reform is that a statement of the cost of a loan will have to include the true total cost of that loan.

It is now possible for lenders to stack a variety of other charges on top of the quoted cost of borrowing. Insurance premiums, various administrative charges, legal costs, registration costs and the like are very often charged to the consumer and, in most cases, excluded from the calculation of the cost of borrowing. As a result, the consumer is not apprised of the real interest burden that he actually has to carry. Let us take the following example: let us take a loan of $4,000, at the declared rate of 12 per cent per annum, received from four different lenders. The first lender makes no deductions. At the end of three years you will pay $4,782.96, which means an effective rate of 12.68 per cent per annum. The second lender deducts a total of $50 for insurance and registration. You get $3,950. the total you pay over three years is still $4,782.96, but the effective rate is 13.66 per cent per annum. The third lender deducts $250 for registration, insurance and legal fees. You now get only $3,750. The repayment total over three years is still $4,782.96, but the effective rate is now 17.86 per cent. Finally the fourth lender deducts $650 for life insurance, registration, legal fees, finders fee and bonus. You now get a mere $3,350. The repayment over three years is still $4,782.96, but the effective rate has climbed to 27.84 per cent per annum. Thus, Mr. Speaker, this relatively simple example demonstrates how a similar quotation of 12 per cent per annum, or 1 per cent per month, can vary considerably, depending on the kinds of charges that are folded into the transaction, amounting, in the last example, to more than double the rate the borrower is told that he will be paying.

Mr. Lambert (Edmonton West): I hesitate to interrupt the minister, Mr. Speaker, but I wonder if by the time he completes his explanation on this point he could tell me how he believes he can lump together charges under provincial legislation for the registration of chattel mortgages or other forms of incumbencies with interest charges that are to the benefit of the lender. Those are two different things. I should like to know how the minister believes he can lump together apples, oranges, cherries, bananas and other things in the same basket and come out with common interest charges and rates.

Mr. Abbott: Mr. Speaker, I would prefer not to attempt to answer that question because it opens the problems of provincial instruments, a matter which may not provide an easy explanation. So although I would like to answer my hon. friend because he is always very fair, I do not think I can do so at this point.

I should like to continue my remarks by saying that in order to remove this confusion, the bill requires that all costs related to a loan be included in the total credit charge and be clearly disclosed to the consumer in a uniform manner, regardless where he may reside and the kind of loan that he is undertaking. Once again, the practical effect of this requirement will be that where a consumer is dealing with different lending institutions quoting the same rate on their loans, the actual costs of the loans will be exactly the same, rather than merely appearing to be the same.

There is another aspect to disclosure with which we are concerned. I am sure that most of us are aware that very seldom do we see credit advertising that mentions in any clear or complete way the costs and other obligations that consumers will have to assume. If the advertisement succeeds in persuading them to use the credit offered, the objective of the lender is reached without, necessarily, any concern as to

whether the borrower is aware of the true cost of that credit. Typically, credit is advertised almost as an attribute of products—be they new cars, boats, or vacations—that the consumer may be induced to buy, whether he can afford to or not. Credit is promoted as a convenience for buying things, and the accompanying cost burdens are ignored.

The advertising regulations, pursuant to this bill, will require that all advertisements for any form of credit include clear statements of the cost of the credit being advertised, of all other obligations that the consumer will have to carry, and of any special lender policy or borrower qualification that will impose additional burdens on the borrower.

The only protection against excessive credit charges that the consumer enjoys today is found in the Small Loans Act. This act, however, applies only to loans of $1,500 or less, and it does not apply uniformly to all lenders. Vendor credit—the kind of credit you get at a department strore, and credit you get from banks which provide about 60 per cent of the total consumer credit used in Canada—is not covered by the Small Loans Act. There is no legal limit on credit charges for loans over $1,500 or on loans from lenders not covered by the act. The failure of the Small Loans Act adequately to protect the consumer has become more and more apparent. The fact is that loans between $1,000 and $1,500 are today rarely made. In 1966, for example, the total value of loans granted that would be defined as small loans under the act was $647 million. By 1974, that total had fallen to only $296 million. The overwhelming bulk of these is for amounts less than $300. That is why we propose the repeal of the Small Loans Act. In its stead we are proposing a strong and comprehensive set of protective devices applicable to all forms and levels of consumer credit so that consumers will be assured of access to loans bearing fair and reasonable credit charges.

The requirement that all costs associated with a loan be clearly disclosed in the credit charge is one such device. The second is the concept of the unwarranted rate. Where a rate appears to be excessive in view of the security involved, the risk characteristics of the particular consumer, and prevailing market conditions, the consumer will be able to apply to the court for a determination that the rate charged is unwarranted. To assure that this recourse will not be an involved or costly procedure for the consumer, the bill provides that the onus will be on the lender to establish that a rate is justified. While I do not expect a flood of litigation, we expect that lenders will be very careful to charge rates which are warranted under current market conditions and will not run the risk of incurring legal penalties and costs.

● (1620)

Mr. Clarke: Who is going to decide?

Mr. Abbott: I believe that this provision will encourage self-policing by lending institutions and will also act as a considerable incentive to lenders to see that a truly competitive situation is reflected in their credit charges. I should reiterate that it is not our intention to promote excessive litigation. Rather, we expect that the availability of these tools to borrowers will exert a significant restraining force in the consumer loan market.

A primary purpose of this legislation is to protect the low income borrower. It is only too obvious that the existing rules do not do that effectively. Existing ceilings on small loans, rather than providing the low income borrower with money at a reasonable rate often provide him with no money at all. Legitimate lenders, finding that ceiling rates are too low, invest elsewhere, leaving the low income borrower with only one recourse, the loan shark. To overcome this we are, first of all, imposing heavy penalties on loan sharks. Second, through the disclosure provisions we are imposing strong financial incentives for lenders to make complete and open disclosure of the charges they impose. Low income borrowers will know at once, and before they borrow, just what kind of burden they are being asked to bear. For the first time they will be able to understand clearly what they have at stake and will be able to make an informed decision as to whether they ought to borrow at all.

Third, I remind the House of the prepayment privilege and the unwarranted rate provision. A low income borrower who is a good risk—and many of them are—is entitled to get a rate which takes that fact into account. His credit rating may be as good as and perhaps better than that of higher income people, but because he is ill-informed, timid, or a person alarmed by forms, he will tend to avoid institutions which will gladly deal with him. Now this borrower can go freely to any institution, obtain a loan at rates commensurate with his true credit risk, and prepay the higher rate loan he is carrying. This prepayment feature is another incentive for lenders to charge warranted rates so that they will not lose income because of turn-around costs.

Finally, our concern for the low income borrower does not stop with this bill. My department has instituted studies in the whole field of credit for low income borrowers. We are especially interested in such activities as community branch banks, the so-called storefront banks that some of the chartered banks have already begun to operate. Following passage of this bill, it will be our intention to mount a comprehensive program to assist low income borrowers in the marketplace.

Mr. Clarke: What about the regulations?

Mr. Abbott: Wait for them. There is a third important market protective device in this bill. The bill bars any lender from charging any borrower a penalty for paying off a non-mortgage loan before the term of that loan has expired. Where a consumer discovers that he is being charged a higher credit charge on his loan than he need pay, by the simple expedient of finding that he can make the same loan more cheaply elsewhere, he need only borrow the money from the cheaper source at the lower rate and repay the first loan immediately and without penalty.

The only exceptions to this unlimited right of prepayment will be mortgage loans. However, before I get to mortgages I would like to explain that at the present time even where there is no formal penalty for prepayment of a loan, the most

common method employed by Canadian lending institutions in calculating interest due on a prepaid loan results in the levying of interest charges which are in excess of the true amount of interest which would be payable if interest was to be calculated accurately. This calculating method, called the rule of 78's, is used across Canada and is still another unnecessary burden to the borrower. The bill requires that interest rates be calculated to reflect precisely the rate quoted.

The particular nature of mortgage loans and of the mortgage loan market makes this kind of unlimited prepayment privilege unworkable with respect to mortgages. I do believe, however, the penalties currently in use in cases of prepayment of mortgages are often excessive and unnecessarily restrictive. Therefore, the bill provides limited prepayment privileges in the case of mortgages as well. This proposal extends the current NHA provisions to the whole of the mortgage market. The consumer will be permitted to prepay up to 10 per cent of the principal amount of a fixed rate mortgage on each of the first and second anniversaries of the effective date of the mortgage. After the third anniversary the borrower will enjoy a much more extensive right to prepay principal, and the maximum penalty the lender may charge will not exceed three months' interest on the amount prepaid at the agreed credit charge rate.

Mr. Clarke: That's what it is now.

Mr. Abbott: No, it is not now. The bill also deals with variable rate mortgages, limiting the frequency of rate increases and permitting the borrower to prepay after the first year. These proposals should enable wider use of this form of mortgage instrument and curtail certain practices now being used to achieve the same effect without adequate protection for borrowers.

[*Translation*]

Before getting into a description of the proposed provisions to punish and discourage loan sharks I would like to address the House more particularly on a widespread practice in Canada which consists in lending on social welfare cheques and anticipated income tax reimbursements.

Under that practice which could nearly be classified as a theft, a person or company buys an individual's anticipated income tax refund at a substantial discount. This can also be done by purchasing social welfare cheques before they are issued, once again at a substantial discount. Those so-called purchases are actually loans on which the interest is the difference between the amount lent and the one to be received by the lender.

[*English*]

The effective credit charges made by these operators are often so high that we have concluded they should be characterized as criminal. In cases where they are much above current lending rates, the unwarranted rate protection available to the consumer will apply to these "discounters" as much as to any other lender.

To give the House some impression of the growing problem of loan-sharking in Canada, I should like to mention just three facts. The first is that police estimate that loan-sharking has become a $3 billion per year business in Canada. The second is that police estimate that loan-sharking has become the second greatest source of income for organized crime, second only to the illicit drug traffic. The third, and perhaps most disquieting fact, is that in Canada today it is possible for a loan shark to make a loan—and most of these loans are made to the poor—and charge an interest rate higher than 1,000 per cent, yet be guilty of no criminal offence.

The legal sanctions now in force have proved entirely inadequate to stop or even to control the spread of loan-sharking. Neither the disclosure provisions in some provincial consumer protection acts, nor the Small Loans Act provide penalties sufficient to deter or even inconvenience loan sharks. Up to now threats or intimidation have been very difficult to prove, but the bill goes into considerable detail in defining harassment, coercion, threats and intimidation and imposes heavy penalties for their use. To deal with these problems I have introduced in this bill the concept of a criminal rate of credit charge. Any person who makes a loan in excess of this rate is subject to criminal prosecution.

An hon. Member: What rate is it?

Mr. Abbott: It is proposed that the rate will be defined specifically in the regulations.

Mr. Clarke: Why not put it in the bill?

Mr. Gilbert: Are you going to consult the mafia?

Mr. Abbott: The offence is complete once it is established that the rate charged is greater than the criminal rate.

Mr. Clarke: But you are not going to tell us about it.

Mr. Abbott: I hope the hon. member will sit in the committee, where we will have the benefit of his advice.

Some hon. Members: Hear, hear!

Mr. Abbott: Violations can be dealt with either by summary conviction or upon indictment, and penalties go up to a maximum of $10,000 in fines and five years' imprisonment. Armed with this legislation, we believe that for the first time our police forces will be able to move effectively against loan-sharking and loan sharks. Finally, there are a number of other criminal offences dealt with in the bill: incorrect or inadequate disclosure, violations of advertising regulations, false or inexact statements of credit charges or interest rates, failure to maintain adequate records, and extortionate collection practices. These are punishable by fine and imprisonment. These are the essential features of the Borrowers and Depositors Protection Act.

• (1630)

[*Translation*]

I think this is a wise legislation that will permit us to improve our market system and competition in the important area of consumer credit.

[*English*]

I look forward to committee stage, when the bill has received approval in principle, because it will be an opportunity for hon. members to bring in valuable suggestions. I hope the committee will invite representations from outside groups. I stand ready to welcome constructive suggestions. We do not view this bill as the final word, the ultimate wisdom. We recognize there may be defects. It is a complex bill, and I can assure hon. members that we stand ready to view constructive suggestions warmly. I hope, and believe, that hon. members generally will regard this bill, whatever its defects, as a major step in a most important field.

Some hon. Members: Hear, hear!

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, in rising to reply to the minister's opening statement in this debate, I can say that we on this side of the House are, naturally, adopting what I underline as broad and general support of some of the principles and objectives set out in it. I say, and I underline again, that we are in broad and general support; but I do not think I am hiding anything from the minister when I say that in committee and at other stages of this debate he can anticipate lively participation in a real spirit of trying to improve the legislation. As the minister himself said, the last word is not in, and there will probably be many amendments. Having debated this issue in our policy sessions on this side of the House for many years, we will have some useful, additional things to say about the bill.

Back in 1970, when I had the privilege of being chairman of this party's policy committee on consumer protection, we had the general clause that the consumer has a right to be protected against financial contracts which are not clearly spelled out, and that interest rates, legal conditions and other terms of finance and loan contracts should be clearly and honestly spelled out. This is a problem that has caused concern on this side of the House for many years.

As I understood the minister, in his speech he said there were three objectives in the bill, yet in press releases he said there were four. We are not quite sure which to believe or interpret, but that may or may not be splitting hairs. I understand the objective of the bill is, first, to protect Canadian borrowers against loan-sharking and all forms of excessive interest charges. Second, the minister stated, both inside and outside the House, that an objective of the bill is to provide the public with more and better information on all credit and deposit dealings. Third, an objective was to eliminate unnecessary complexities and confusion in the credit field and, finally, to define strict and uniform rules to protect all borrowers and depositors, and to rationalize federal credit legislation. It is within the parameters of these objectives stated by the minister that we will debate this afternoon.

The minister made one interesting remark at the beginning of his speech in which I think he subconsciously revealed the attitude of the government. He said he was proud that he had discussed this matter with other departments of government—the Department of Finance, for instance. Taking him at his word, Mr. Speaker, he obviously discussed it with other departments and agencies, but if he went to sit in my office for more than three days he would be convinced he had not adequately consulted the parties affected by the bill. I know he will say he talked to them for a few minutes on the telephone or had a meeting in his office. On this side of the House, however, we know there will be a lot of trouble with this bill because, in typical government fashion, the minister did not consult the Canadians concerned. He should level with us. Did he really consult the financial institutions, for instance? On this side of the House we have a different definition of the word "consultation". If I might make a comparison, Mr. Speaker, when Polonius gave advice to his son who was going to college, he used an expression that we have heard on many occasions, "Neither a borrower nor a lender be".

Mr. Speaker, remarks from behind the curtain are not going to add anything to this debate. I know it is boring to be a supporter of this government.

Mr. Rodriguez: Do not do what Hamlet did to Polonius through the curtain.

Mr. Grafftey: The Canadian consumer, although he might have heard the advice Polonius gave to his son, has not taken it seriously. In 1948, consumer credit outstanding was in the neighbourhood of $835 million; today it has been cited on many occasions, since the bill was given first reading, at somewhere around $24 billion—three times as much. Consumer credit is growing three times as fast as disposable income, Mr. Speaker, and that has very grave and obvious significance.

I will not outline in lecture form to individual members of the House the far-reaching social consequences, especially on low income Canadians, of lending and credit phenomena. I do not think I am getting on a soap-box or being demagogic when I say those of us who are constituency-minded members, whether we have a constituency office or visit individual electors in their homes, are often saddened at the plight of low income Canadians, as they are in many ways throttled by credit.

[*Translation*]

Let me add a few words. The other day I had the privilege to visit my very good friend, the leader of the Social Credit Party of Canada (Mr. Caouette) at the Ottawa General Hospital. He is a sincere and dynamic man who dealt, both in the House of Commons and outside, with many questions relating to credit as it affects Canadians, especially the poor. I am sure that if the leader of the Social Credit Party were here, he would have some extremely important and profound things to say about the effects of our loan and credit system on Canadians. I am sure my colleagues in the House of Commons

will be in full agreement with me when I say that I hope he will be back with us in the near future.

● (1640)

[*English*]

I repeat—without getting into semantic dificulties—that we shall support most of the broad principles of the bill. Although the minister paid tribute to his predecessors in the portfolio, I would not be surprised if, after he hears what we on my side and interested parties inside and outside the committee have to say, he introduced amendments to the bill.

The minister said that this bill had been long delayed. It has been. I know that the question of credit which involves our financial institutions and consumers is one of considerable complexity. Yet when all is said and done, even though the minister admits the subject is complex. I say this legislation has been too long delayed. In typical government fashion, we have had study after study and committee after committee looking into this question. There has been no real consultation, let me add: Then, when it is too late, this bill is brought before the House. I know the popular adage, "Better late than never." I agree. But I suggest to the minister that the government, in delaying the introduction of this legislation, has done a real disservice to Canadians individually and collectively.

Mr. Fraser: In this case it is not better late than never; it is very late, and not much better.

Mr. Grafftey: The minister is concerned about loan-sharking. We are concerned. I agree with those who told me in private that they see nothing in this bill which will come to grips substantively with that problem. Surely the minister did not learn yesterday that loan-sharking is as bad as he now says it is. The problem has become worse because of this government's failure to introduce meaningful legislation on the subject. Therefore, I suggest, without being irresponsible in my remarks, that some of the blame for the sorry plight of many of our borrowers, especially those involved with loan sharks, rests on the government. Loan-sharking affects low income people more than others. I repeat, the difficulties of low income earners who becomed involved with loan sharks have been exacerbated over the years because the government has failed to act in this field.

No country in the western world studies problems to death more than we do. When historians write the history of the present government, they will write of commissions studying commissions, of study groups set up to study other study groups, and of this government's doing less than any other government in the free world. That can be said about the very matter we are considering.

Mr. Gilbert: Yes, but let's hear what the Tories have to say about this bill.

Mr. Goodale: They have nothing to say about it.

Mr. Gilbert: I want to hear what the Tories have to say.

An hon. Member: Let's ask Sinc Stevens.

Mr. Goodale: They are trying to think of something.

Mr. Grafftey: The minister said that he and his predecessors had consulted the provincial premiers. I share the concern of the hon. member for Edmonton West (Mr. Lambert): Did they really consult the provincial premiers? We shall delineate some of the difficulties the bill will encounter. I suggest they might not have arisen if the government had consulted the provincial premiers. I know the minister is new in the portfolio, but deep down in his heart can he really say that he consulted consumers, consumer associations and financial institutions in this country? I say no, Mr. Speaker, it is not good enough to prepare draft legislation, to give it hasty first reading and to claim that the process constitutes consultation. As with so much of its legislation, the government is treating interested parties like fools.

The minister may think that some in this country, when discussing the subject, react like Pavlovian dogs, that is, assume that there is an automatic conflict between this country's financial institutions and consumer associations, etc. Perhaps the minister is saddened by such automatic reactions on the part of interested groups in this country. To some extent, the minister is the victim. That brings me to my point, Mr. Speaker: I am sick and tired of hearing conventional wisdom say that consumer and corporate interests are mutually exclusive.

An hon. Member: Whose side are you on?

Mr. Grafftey: There you are; there is the Pavlovian dog reaction of our socialist friends. Socialists never solve problems; they just make them worse. Look at what happened in the United Kingdom. The socialists love the notion that there is an automatic confrontation between consumers and corporations. They have never been able to solve a problem—

Mr. Gilbert: Whose side are you on?

Mr. Rodriguez: What is your interest?

Mr. Grafftey: I am speaking for the general interest.

Mr. Rodriguez: And what side is that?

Mr. Grafftey: If hon. members insist on prattling such nonsense—

Some hon. Members: Oh, oh!

Mr. Rodriguez: He is on the general interest side.

Mr. Grafftey: Hon. members insist on taking sides. As long as they prattle the conventional wisdom, they will get nowhere.

Mr. Fraser: The government wants people to borrow money but not pay it back.

An hon. Member: What do the Tories say?

Mr. Grafftey: Liberals and socialists say that there is automatically confrontation between the consumer and the corporate interest.

Mr. Rodriguez: You are on the corporate side.

Mr. Grafftey: Previous ministers in charge of the department brought the department into disrepute because of that attitude. We on my side of the House say you will get nowhere with legislation like this unless you delineate, initially, the common interest of consumer and corporate entities.

Mr. Gilbert: Let's hear Sinc.

Mr. Grafftey: Progressive Convervatives do not accept the conventional wisdom which has been aided and abetted by government stupidity. It is not easy to put conventional wisdom aside. You must consult both sides.

Mr. Rodriguez: And you are talking on behalf of one side.

Mr. Grafftey: I thought we set up the Department of Consumer and Corporate Affairs in the first place in order to bring about some degree of understanding, communication and co-operation between the consumer and corporate sectors and government. Only after such understanding, communication and co-operation had been achieved was there to be action. If the department failed to act in the areas of concern to consumers and corporations—and I hope the minister will rectify this—the reason is that the present government accepted the outdated conventional wisdom which has been prattled for years by socialists, to the effect that there is an automatic, built-in conflict between consumers and corporate entities.

Some hon. Members: No.

Mr. Grafftey: We do not believe in that.

Mr. Gilbert: I think he is filibustering this bill.

Mr. Grafftey: We think that we can only have progressive consumer protection, or legislation protecting Canadian borrowers—and I know those to my left will not like this—if we truly conserve the constructive viability of our lending institutions.

An hon. Member: Explain.

● (1650)

Mr. Grafftey: If I have to explain that to you, you are lost before you begin. Since the creation of the Department of Consumer and Corporate Affairs, this government has done an appalling job of demonstrating a mutual interest in producers, manufacturers and consumers. We on this side believe that while government must often be willing to take tough and unpopular decisions, we are going to get nowhere without a high degree of co-operation and communication between government, producers and consumers. Frankly, if this sounds like a motherhood truism, it is. I believe it has to be repeated and repeated and repeated—

An hon. Member: And repeated.

[Mr. Fraser.]

Mr. Grafftey: —and repeated, because of the confrontation attitude of this government up to now with this department. The minister would privately admit to me that the record of the department has been pretty sad to date. The government's approach to this bill, in many ways laudable in intention, is horrendous in its execution. Why? Because of delay. It is the kind of thing that should have been brought in by any government worthy of calling itself a government, five years ago.

An hon. Member: Why didn't your government bring it in?

Mr. Grafftey: That was 13 years ago. There has been lack of real consultation. Look at how this bill was introduced into the House. It was barely mentioned in the Speech from the Throne. Nothing was ready. After a long, long recess we came to the floor of the House of Commons. Obviously, no significant legislation was ready. I can just see the cabinet meeting last week "Somebody produce something". The Minister of Consumer and Corporate Affairs (Mr. Abbott) said he had something kind of ready. Therefore, last Thursday we were informed we would deal with second reading of a fairly important bill. It may turn out to be a paper tiger, but I will call it important at this stage. Our House leader was advised that it would be given second reading today.

An hon. Member: Aren't you ready?

Mr. Grafftey: I am not like the socialists. We examine things a little more. We do not have this Pavlovian gut reaction to everything. This bill was presented to the House on the valid assumption and I sincerely think it was a valid assumption that the opposition really wanted to help in making this kind of legislation better and making a constructive contribution. I say to the minister, is this really the way to conduct government business?

To get into some of the specific interests of the bill—

Some hon. Members: Hear, hear!

Mr. Grafftey: The minister said that he consulted the provincial authorities. Has he ever heard of property and civil rights? With regard to some of the disclosure provisions, some of the unwarranted interest rate provisions, I really wonder if some of the officials or some of the members of the government have studied constitutional law at all. We on this side of the House hope that the pitfall has been avoided.

I listened with great interest to the question put by the hon. member for Edmonton West. I am concerned about some of the constitutional provisions in the bill, certainly in the province of Quebec, which would involve property and civil rights. In other provinces there are other considerations. I ask the minister whether he has read the Saskatchewan brief on this whole matter. Frankly, from reading the bill and some of the provisions in it I doubt whether there has been real consultation with the provincial authorities vis-à-vis the constitutionality of it.

• (1700)

Maybe I am not up to date with respect to some of my legal principles, but I always thought that no matter what we said here in the House of Commons, it was a long-standing principle of law that it was incumbent on the plaintiff to prove his case. The minister will surely have to prove his case to us both in the House and in committee. No doubt the law is fraught with exceptions to the general rule, but I rather doubt that this is one of them.

I see all kinds of difficulties from a practical as well as from a legalistic point of view about asking the defendant to prove his case, as now seems to be proposed. I always thought it was a principle of law that innocence was presumed until the contrary was proved. Some of the thinking behind this provision is certainly foreign to me. I note the minister has expressed the hope that there will not be much litigation as a result of this bill. But where litigation does arise, it will come before courts under provincial jurisdiction whose judges will have the last say as to who is going to prove what, how and where. Seriously, I wonder to what extent the provinces have been consulted in relation to this bill. When we get into committee, and later on in the debate, the minister will certainly be called upon to allay our fears on this point.

The hon. gentleman has already stated that the first purpose of the bill is to protect Canadian borrowers—

An hon. Member: Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Medicine Hat (Mr. Hargrave)—Agriculture—Beef—Request for restriction of imports; the hon. member for Hillsborough (Mr. Macquarrie)—Government administration—Possibility of moving part of Veterans Affairs to Prince Edward Island; the hon. member for Moose Jaw (Mr. Neil)—Industry—Toho lead and zinc refinery.

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

Changes in Standing Orders

PRIVATE MEMBERS' MOTIONS

[*English*]

HOUSE OF COMMONS

SUGGESTED MODIFICATION OF STANDING ORDERS

Mr. Robert McCleave (Halifax-East Hants) moved:

That, this House do modify its Standing Orders and practices, to the end that it bring its affairs more closely into conformity with modern (that is, acceptable mid-20th century expectations), by

1. Cutting by one-half the time limits for speeches where such time-limits are set forth in Standing Orders;

2. Setting up a committee composed of members of all parties, and of members of the parliamentary press Gallery—each component to number seven—which shall supervise the rules to govern the recording by instruments capable of radio broadcasting and of telecasting of the proceedings of this House and of any committee or other recognized entity thereof, and the public use thereof;

3. Providing that the rules for the so-called late show, or adjournment debate, be altered to provide for the participation of five instead of three, and that the Speaker have absolute discretion to extend the time for reply by up to three minutes;

4. Providing that no member of this chamber shall have to wait for recognition by the Chair for longer than three oral question periods if that member has risen in each of such three consecutive question periods, such question and recognition by the occupant of the Chair to be recognized upon the request of such member at the conclusion of the third such period;

5. Providing that the government through its House leader may designate up to six measures per session for consideration and disposition by legislation where such proposals reflect these principles:

(*a*) an amendment to existing legislation which shall incorporate not more than one major change, the final opinion in any dispute to be that of Mr. Speaker;

(*b*) the government does not propose to amend such legislation in any other manner in that calendar year without unanimous consent;

(*c*) the speeches by the mover and the designated replier for each party shall not exceed fifteen minutes, and by subsequent spokesmen of not more than five minutes;

6. Setting at five the number of those who may oppose unanimous consent to any motion made in this chamber.

He said: Mr. Speaker, these are six ideas, and any other member of the House could, I imagine, present six alternative ideas of equal validity for the reform of our practices and procedures. I framed my motion in such a way as to directly develop interest among hon. members. I think this afteroon we shall have the privilege of welcoming back an old friend into the debate, making his maiden speech as a backbencher. I refer to the hon. member for Eglinton (Mr. Sharp).

Some hon. Members: Hear, hear!

Mr. McCleave: I will say simply that I hope when the committee on procedure is reconstituted he will be in his place at the head of the table. He has done a thoroughly excellent job in that committee.

Mr. Speaker, were this a gathering of physicians it would be inappropriate that somebody should die of a cold, and this being a gathering of parliamentarians I do not think it would be appropriate if I talked the motion to death and used up all the time allotted to me. I have 20 minutes, and I am going to try to make my contribution in ten, thus leading up to the very

first point that I make, to cut by one half the time limit for speeches in this chamber, the exception being the "late show". I don't know how you can make do with much less than four minutes in presenting a case, with three minutes for reply, but everything else I would chop in two. As for supplementaries during the question period, what I would do to those who ask them goes beyond anything I should like to state to the House now.

The first point, then, is an obvious one. I do not regard it as a major cure for procedural ills, though. I think that means restoring debate in committee of the whole. However, that is rather too large an idea to put forward in a motion such as I am presenting this afternoon. The second point calls for a committee composed of members of all parties and of members of the parliamentary press gallery to solve the problems of broadcasting and telecasting. Perhaps this is not generally known, but our sound system is such that all the radio correspondents we have in the gallery—there aren't any there now, I guess; we have the usual lone minion from Canadian Press, God bless him—could, at the start of the day, if they were given the authority, plug into our sound system and questions and answers could be sent forth immediately to a waiting public.

It would not take very much to bring that about. What it would take is unanimous agreement by everyone in this chamber. I do not intend to scout the idea at any greater length, except to say that I can see disputes ahead. I can see misuse in certain quarters of facilities for broadcasting the proceedings of the House. I know there is some suspicion on the floor of this chamber as to what might happen if broadcasts from the chamber were left, without any check or balance whatsoever, to the mercy of some people who pass for journalists in this country. So this is a way of giving some protection at least to members.

A week ago I was listening to a program called "Here Today" out of my own CBC station in Halifax. In this one-hour program, this is what I was fed as an innocent bystander. First, a speech by Mr. Mitchell of the Liberal cabinet in Halifax. Then a speech by none other than the Liberal premier of Nova Scotia. Then a speech by somebody from the other place—but, again, a Liberal. The fourth one—and here we get to the national scene—was the Minister of Fisheries and the Environment (Mr. LeBlanc). Next was the Prime Minister of the country (Mr. Trudeau). That was Liberal number five. He was followed by the parliamentary secretary to the minister who speaks on urban affairs every day except Monday. He got in there as number six. Finally, the prime minister of Quebec, Mr. Bourassa, got in there. That made seven Liberals.

The leavening of political virginity in this one-hour program came in the form of the Premier of Saskatchewan who happens to belong to the NDP. No other political party need have applied. From the party to my far left and my own particular party there was not one person who said anything that day which could find a place on that program in Halifax. It was an almost incredible turn of events. Eight voice clips, and not one of them from the official opposition, not one of them from the Creditiste party. It was a most shameful abuse by a handful of people posturing as trying to present an objective picture of the news. The only honourable exception I would make is that the weather forecast had no political slant and I thought the sports program was rather well presented.

When something like that is happening, you know as a member of parliament that if you allow a very large machine such as a television camera to come into this place, there must be some mechanism by means of which a member of parliament can voice his displeasure at the way in which the editors are using their material if he feels he is being mistreated.

I turn, now, to point number three, concerning the "late show". I think the "late show" is the best thing to have happened in this parliament for ten years by way of reform. I would simply extend the three units to five, so that anybody who has a grievance would not be obliged to wait around for a long time but could be heard quickly.

The fourth point concerns the problem of recognition by the Chair during the question period. This is something which often bothers members. It may surprise my listeners on the government side, but there are a number of us on this side of the House who do have this difficulty. In my own case, I think I am as tall as the hon. member for Calgary North (Mr. Woolliams) and we weigh about the same, but I can remember one occasion when he was recognized four times running in the course of a single question period, and I was not recognized at all. I do not think this was because I failed to catch the eye of the Speaker, but I think the hon. member for Calgary North was perhaps a little more adept at catching the Speaker's ear. My proposal is that anybody who is persistent for three consecutive days should have his moment in the sun at least at the end of the third question period.

My fifth point is one which I consider to be important. I share the concern of many about the pace, or lack of pace, at which business is done in this chamber. What I am suggesting is a method of dealing with what I call good housekeeping legislation, much of which arises out of decisions of courts which seems to be at variance with what we in parliament thought we had done when we passed certain legislation. My proposal would offer a quick way, for example, of amending the divorce legislation without holding up every aspect of it, whether relevant or not, for debate in this chamber.

Some day we shall have to adopt my suggestion, or a suggestion of a similar nature, if the necessary amount of legislation is to pass through this chamber. I suggest that if we fail to take such measures, the device of taking action by way of order in council, regulations and the like will increasingly become standard procedure, which again removes us one step further from parliamentary control. I therefore suggest that whether this be the formula or something else be the formula, some thought has to be given to good housekeeping procedure, so I have set it forth. My final point is that if unanimous consent is required, it can be resisted but it would take five people to do so. This would end the present abuse of one or two members who would stand together until hell freezes over,

resisting anything sensible which was being suggested in the House about prolonging debate or doing something when unanimous consent was required.

May I say, finally, Mr. Speaker, how much I appreciate the fact that as a result of the draw I had the opportunity to make this subject number one on the list of private members' motions. I am sure it will not be the last dealing with procedure in our chamber. I anxiously await the speeches which will be made on the subject this afternoon, including that of the newly-discovered backbencher, the hon. member for Eglinton.

Hon. Mitchell Sharp (Eglinton): Mr. Speaker, this is a day of beginnings for me. Today I asked my first question of the ministry, in the House of Commons and now I am making my first speech as a backbencher. I find both these duties quite congenial and I intend to continue to harass the government and participate in debate.

● (1710)

I begin by commending the hon. member for Halifax-East Hants (Mr. McCleave) for his initiative in sponsoring this motion. The hon. member has a well-earned reputation in this House for impartiality and fairness. His work as the co-chairman of the joint committee on statutory instruments is well known and quite outstanding. Personally, I appeared before that committee on a number of occasions in my previous ministerial capacity as president of the privy council and have always been greatly stimulated by the cross-examination to which I was subjected. I look forward particularly to the conclusions of that committee, and hope that the co-chairman will urge his co-members to bring in a report as soon as possible on that vexed question of access to documents. I am sure the government will be waiting anxiously to see what advice the committee offers.

The hon. member is also a member of the Standing Committee on Procedure and Organization and has participated in the debates there. The motion before the House is, therefore, more than normally significant because it is being put forward by a leading and respected member of the opposition. He is a man of long experience, of outstanding ability and with a well-earned reputation for objectivity. No one can accuse him of having any ulterior motive in putting forward this motion, and particularly no one can accuse him of wanting to help the government by the reform of the rules that he is advocating.

My views on this question are very similar to those of the hon. member. The procedures of this House are outdated. They have become obsolete. Our proceedings should be televised, because this is a modern and effective method of communication which was not available to the previous generation and which we should make use of now since it is available. Just as at one time *Hansard* was introduced as a modern method, strongly resisted, it has now become accepted as a logical way of communicating to the public the words uttered in this House.

This House of Commons is the heart and centre of our democratic institutions, and it is not an exaggeration to say that the people of Canada judge the health of our democracy by the functioning of this parliament, and particularly of the House of Commons. I think it almost goes without saying that our procedures do need reform. Surely no one who looks at the way we use our time is satisfied that we use it profitably. Surely the time has come when we should face up to the necessity for modernizing our procedures.

I was particularly happy to see in the motion put forward by the hon. member for Halifax-East Hants that he linked together changes or reforms of the rules and procedures with the televising of the proceedings of this House. I think the question that ought to be addressed to those who would resist procedural reform is whether they would be satisfied to see the House proceedings being televised according to the rules that now prevail. I ask them, for example, if it were technically possible—and I think shortly it will be—to have a continuous live broadcast of the proceedings of this House, how long people would be content to look at the televising of our proceedings if members made 40-minute speeches? I am quite sure that after one or two, people would shut off the television and say, "I have heard it all before. This is just repetition and a quite unnecessary way of debating the affairs of the country".

So why do we continue to make 40-minute speeches if they cannot stand the light of day, or shall I say the light of television? Is it because members are trying to persuade one another to change their point of view? I do not think so. I think it might be necessary—I am sure the hon. member will agree with me—for the leaders of the parties or the principal spokesmen on these subjects, to be permitted to speak for 40 minutes, or even longer if necessary, in order to put forward the respective views of their parties or the school of thought they represent. But I have observed this House now for 13 years and, as I see it, most of the speeches that are made by ordinary backbenchers and not by the leading spokesmen for the parties are intended to be for the record, whether for reference later or in order to distribute them to constituents.

If we were to televise our proceedings there would be great urgency to revise our procedures, to shorten our speeches, to be able to forecast with some certainty what we were going to be debating within the next few days. We would want to show the public that we were focusing our attention upon the issues that were of concern to them, upon the leading issues of our time. Television would certainly affect parliament. I have heard the criticism that parliament would change if television were introduced. Of course it would change—and for the better, just as it changed when we brought into our proceedings the idea of writing down with an independent hand the words that are uttered in this House. That did change the House of Commons. It changed it for the better. In my judgment, televising the House would also change it, and for the better. It would be as if all the people of Canada were watching us.

When it is televised, in my judgment the House of Commons will once again become the focus of debate on public affairs. What seems to be more important today is not what goes on in the House of Commons but what goes on outside

the House of Commons, in the interviews of members of parliament by the press who meet us downstairs in the "scrum" and say, "What is that you said in the House of Commons. Did you really mean it?" Or they put to a member of parliament another question that was not asked in the House of Commons at all.

Surely the time has come when we members of parliament should see that what goes on here is accurately reported to the people of the country so they can judge for themselves.

Some hon. Members: Hear, hear!

Mr. Sharp: That is not now possible. I do not blame the media for the distortion that goes on, I blame ourselves. The media dominates us because we do not use it to televise our proceedings. That is the problem. People criticize the media—I do occasionally—for the distortion that takes place, but the remedy lies in our hands. We can have our proceedings made known to the public at large through television; we do not have to depend upon the media.

It is possible, of course, that the television stations that relay shots of our proceedings will distort by selection. That is possible, and I am sure it can and will happen when we do have television in this House. But if televising is carried out under the control of the Speaker, as I gather is the view of the hon. member for Halifax-East Hants, and as was the intent of the motion that was on the order paper in the last session, then distortion is minimized. At least the television cameras are not going to distort what is going on in the House of Commons, because those television cameras will be under our control, under the control of our president, the Speaker, and I would hope of the members of the House as proposed by the hon. member for Halifax-East Hants. At least the public will see their elected representatives in action in the House of Commons.

● (1720)

What a difference there is, for example, in the cross-fire here between the Leader of the Opposition (Mr. Clark) and the Prime Minister (Mr. Trudeau) and the cross-examination by the press of either of these gentlemen. This is the place where this debate should be seen, and not as distorted inevitably by the media who have an interest which differs from that of the members of the House of Commons.

Moreover, it seems to me that if we did televise our proceedings, then the media could perform its function much more effectively. Then the commentators could comment on what went on in the House of Commons, the public having had a look at it. The press, in their interviews, and so on, would have what went on in the House of Commons as the basis for their reports. Now they can only refer to what went on in the House of Commons, and no one except a few people who happened to visit or to be in Ottawa and in the gallery would have seen it.

Television would make it possible for the whole of the country to see what we are doing at any time. During the debate on the budget I took the occasion to deal with the televising of the budget debate. At that time I pointed out the advantages which would follow if there were a live broadcast of the minister of finance delivering his budget address, and of the spokesman for the opposition delivering his rebuttal. How much better that would be than the hocus-pocus we go through now of hiding people away in a locked room where they learn what is contained in the budget while the rest of us are ignorant until the minister of finance gets up in the House and delivers his speech.

One could have gone out into the lobbies during the last budget debate and heard the minister of finance giving his comments in advance in the locked room. That is practical. Moreover, if the budget debate were televised, then there is no need for any problems about anticipation. The budget speech could come on earlier and everybody in the world would hear the minister of finance simultaneously. This we are denying ourselves by refusing to allow cameras, under the control of the Speaker, to be brought into this House.

It may be that we are closer than we think to technological advances that will enable live continuous broadcasting of our proceedings. I had occasion, when I was president of the privy council, when I had some responsibility for these matters, to look into these possibilities. It would appear, because of the large number of channels now available to cablevision, to have either simultaneous or soon-after broadcasting of the proceedings of this House. That is perfectly possible. We should be thinking in these terms, and not only in terms of televising the proceedings of this House that is not live or from which excerpts will be taken. That is one possibility, and the most likely one immediately.

I think, however, that it will be possible for parliament to have its own channel, and not too expensively. Think, then, of the advantage of that available broadcast. It is true that most people would not want to take the time to watch continuously the televised proceedings of parliament. But think of the farmers, for instance, who would have an opportunity to hear what the minister of agriculture and his principal critics are saying about dairy policy, and so on. They could hear it. They could turn on the television set and hear it themselves, rather than having to depend on the media. It would not be wasteful to have that material broadcast continuously. I think this is the way in which we should be thinking. We should be thinking about the possibilities which exist now for this House to have its proceedings televised for the general advantage.

In respect of the particular proposals made by the hon. member for revisions of the rules, I shall not comment on them particularly except to say that I rather favour their direction. The standing committee has considered a number of proposals along the same lines, some of which do not go quite as far, and others which go much further than the hon. member has proposed in his motion. These are all to be found, as members of the House know, in the report of the Committee on Procedure and Organization of last session, dated September 30, 1976. As an addendum to those minutes, there are a number of proposals made by subcommittees which are now before caucuses for their consideration. I urge all members of the House carefully to study those proposals. I urge them to look at them

not as supporters of the government or as members in opposition, but from the viewpoint of the functioning of this House.

I repeat again that I think the hon. member for Halifax-East Hants has performed a notable service by giving all of us an example of objectivity and non-partisanship. He speaks as a parliamentarian who is concerned, as we all should be, that this institution not lose its credibility. That is the danger we now face. It is not something we can do or not do. Our own reputation and the reputation of this institution is at stake. I cannot agree more with what the hon. member said when he talked about the urgent necessity of modernizing the rules of this House so that they have some relationship to the nature of the problems we now face.

Finally, let me express my general views in summing up. This House spends too much time on unimportant matters, and too little time on important matters. It sits for too many hours a week. It sits for too many days a year. Its agenda is too uncertain. The rules create unnecessary difficulties for members in looking after their constituents. These rules were not made for modern days; they were made for some situations, sometime ago, when there was less business to do and less urgency in getting it done. The sooner we wake up to this and get down to a serious look at our rules, the better it will be for all of us.

I know that reform of the rules will not turn this House into an ideal forum. That depends on the nature and characteristics of members of this House. What it could do is enable both the government and opposition to perform their role more effectively—and it is urgent, in the words of the motion before us, that we get down to business immediately.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if, as I hope will be the case, the media reports the debate of this hour, I imagine there will be emphasis on the discussion that is taking place with regard to the broadcasting by radio and television of the proceedings of this House. That being the case, I should like to join the two distinguished members who have already spoken in making it unanimous, and I hope that by the time the hour is over that unanimity will still stand.

The hon. member for Halifax-East Hants (Mr. McCleave) has put quite a bit in his motion. There are some details with which I might quarrel, and there are certain other rule changes he has not included which I might think should be in such a motion; but rather than detract from the unanimity in which I should like to join, I prefer to leave those details alone and concentrate my few remarks on the matter the hon. member for Eglinton (Mr. Sharp) spoke about just now.

● (1730)

I agree with both of the preceding speakers that it does not make sense at all in the latter part of the twentieth century, when everything else that happens is heard on radio or seen on television by our people, for this institution not be heard or seen by them directly.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As others have pointed out, not only today but on other occasions, sometimes I think it is even worse than that because of the false impression that is given of this place by the interviews that take place downstairs. They do not do this institution justice.

I recognize that there would be problems. If cameras were in here this afternoon, they would have had a great time panning over empty seats. Hon. members will have to do something about their attendance. Also, we will have to do something about the length of speeches. We will have to do something so that when there is conflict, it is audible. There were times today when modern electronics at its best would not be able to report what was happening.

I can foresee problems associated with members wanting to get the floor. There are about 258 or 259 prima donnas in this place. I am trying to count everybody but myself to recall how many we now have. I believe there are 259 with the two who came in today.

Notwithstanding the problems, this is something with which we should proceed without further delay. As I have already said, I can see some problems with the changes that may be required in terms of the rules, but the hon. member for Eglinton is perfectly right that, if we are going to have our proceedings broadcast, we will have to make some changes. So I welcome the fact that this afternoon his first question as a backbench member—it is an interesting phrase, a backbench member sitting in the front bench—to the Prime Minister (Mr. Trudeau) was about broadcasting of the proceedings of this House. I hope it will come along very soon.

I said I would be brief. I will leave it at that. That is three of us who favour broadcasting the proceedings of this House by radio or television. I hope that whatever happens to the motion, that will still be the unanimous position by the time this hour of debate is over.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first I would like to commend whole-heartedly the mover of the motion which is now before us, as it is a very important motion dealing with procedure in this House. It aims at determining the best way to proceed to administer this country as well as possible. I listened with great interest to the mover's words and I am convinced that they will pave the way for a review of the Standing Orders of the House.

Like hon. members who spoke before me, I believe we should be able to go through more legislation in a shorter time therefore I am not opposed to—and I have even said before that I would support—a modification of Standing Orders to cut the time limits for speeches. I agree with the mover that the modern languages we know lend themselves to a more succinct expression. All we have to do is investigate the matter deeply; in this way we would enact legislation which would be clearer and the voters would have a better opportunity to judge the efficiency of Parliament.

Another point which has caught my attention and about which I have already personally introduced motions to try to

correct situations I sometimes consider as something farcical, dealt with Standing Order 43. We have witnessed one of those situations last week when a very important motion was introduced which seemed to meet with general acceptance in the House. But unfortunately the Chair, with much hesitancy, did not accept the fact that there was unanimous consent. I have discussed this fact with Mr. Speaker who told me that a "no" had been heard. Everybody from every corner of the House was wondering whether someone had actually said "no".

The mover of the motion said earlier that on the unanimous consent requirement, the Standing Orders should be amended so that it would take five members to have a motion rejected when unanimous consent is required. And I would add that those five members should be identified and their names printed in *Hansard*. Some Canadians and people specially interested in the work of the House have asked me time and again how is it that when someone moves a motion one member alone can stand up against 200 others and we do not know who he is or what is his name? I think that if we would bring forward such an amendment to the rules, it would be a significant improvement.

We are now talking about televising the debates. Obviously it is a matter of a very high importance. It might prove very effective to shed more light on the Canadian Parliament but it could give rise to some disadvantages like those mentioned earlier by the hon. member for Winnipeg North Centre (Mr. Knowles) when he spoke of seats which are so often empty and of the numerous questions that Canadians would ask themselves when viewing that on the screen.

Mr. Speaker, this leads me to make a suggestion about how to attain this goal and I think we are capable of doing it. Given the considerable number of House committees and since their work terminates in this very place, we can conclude that they play a leading role.

Well, I feel that days should be designated for committees to sit, and others for the House to sit, but on one condition: that hon. members must be very punctual, both in committees and in the House. However, hon. members should not think: This is not the week when my committee is sitting, or neither the committee nor the House is sitting on Monday, Tuesday and Friday of this week, which means that there will be only two working days this week. I think this would be an abuse of our Standing Orders I agree that more hon. members should be freed from their personal duties to devote more time to the good operation of Parliament and the good administration of our country.

I hope therefore that the Committee on Procedure and Organization has already looked into this, but it should intensify its study and not let this issue drag on. If this is something which will be good in two or five years, it ought to be good also this year, and it should be possible to adopt this regulation without delay.

Before the proceedings of the House can be televised, I have a suggestion to make. I think it could interest the public. Each day the House is sitting—10.30 p. m. would probably be the best time—one member of each party who took part in the debate, as the one on Bill C-16, would be requested to go on the air to inform the Canadian people about the position of his or her party. Thus the public would be informed of the legislator's intent, without the help of the commentators who are well intentioned but who do not always respect the legislator's true intent.

If a member is requested to go on television each evening at 10.30 or 10.45 p.m. to repeat before the whole Canadian population what he said on such or such bill and why he said so, he will think twice in the House because he will have to report immediately, on the same day, what he said and what was his position on a very important matter. All issues are important, but more so Bill C-16 because it concerns all comsumers.

I make that suggestion and trust that, in the not too distant future, a way will be found to give the people more information. I have always noticed, Mr. Speaker, that a well informed people is a people who cooperates and is easier to govern.

For many years I worked for a municipality. Though the law did not oblige me to do so, through news releases I informed the public of the decisions made by the members of the council, so that they might know about the administration. In the light of that experience, I found out that we could get far more cooperation. The work of the mayor, the councillors and the secretary treasurer was made that much easier. People did not disturb them uselessly because they had received the news releases.

I should like to deal very briefly with the calendar of the business lined up for a given session. On that motion last week, everyone seemed to agree that the government should have to draw up the work program for the various sessions. This is the second session of this Parliament. When the session opens, we should be advised of its duration, keeping in mind, as much as possible, the breaks for Christmas, for Easter, and for the summer holiday at the end of the school year, to allow parliamentarians to have some family life while the children are on holidays. Parliamentarians should also have some holidays, and know ahead of time when these will come. It is always annoying not to know what is coming up.

• (1740)

At Christmas time, we wonder whether the House will adjourn on December 20, 22, 23, 24 or 25; nobody knows and everybody is nervous; our wives are nervous and our children say: Daddy will not be here. This situation becomes depressing and if we are unable to adjust ourselves and work as everybody else, we do not prove to be very intelligent.

We should also insist so that this change be final. When I know beforehand how many days I have to do a given work, I take the necessary arrangements to be able to complete that work. I am convinced that our proposals, whatever they may be, would match those of the government so that our legislation is not passed in a hurry but rather in an intelligent manner, in order to give our country a healthy administration but within a specific time limit. We might get used to work in such a spirit and I am convinced we would manage to do

something wonderful. We would really safeguard the function of this institution which is called Parliament, the highest authority in this country. At the same time, we would show the people that we are serious, aware of our responsibilities, and we would show them an example of good management rather than looking like people who are hesitating, who do not know where they are heading to.

These are, Mr. Speaker, the few comments I wanted to make and before concluding my remarks, I would like to say the following: In the House, some ideas are communicated through members of Parliament who represent many people. One day I heard the right hon. Prime Minister (Mr. Trudeau) say something which I liked and I enjoy repeating it to the people. He said it during the debate on an election funds bill. At that time, of course, everybody thought the same thing: what difference could it make, how could we help make electoral funds more democratic? And the Prime Minister said that all political parties have the same obligation to communicate the views of the people they represent.

Even though everybody does not share the government's view, whether they are Liberal or Progressive Conservative, people with different opinions are nevertheless as good Canadians as others; but they do not share the same view. At that time, it was said that the people are entitled to be well represented and to have their views communicated to the House. We tried to make electoral funds more democratic to give equal opportunity to all these opinions. This is democracy. This is how I understand it and I am pleased that this is the way it was accepted.

If it has been possible to reform that matter, it should also be possible to do so in the area of procedure, a reform that would receive the approval of all members and of those who will follow us. Such a reform would allow the House to be more efficient, to pass better legislation, because there would be improved drafting; instead of being tiring for members, it would take the best of them and give them the opportunity to do something better. I apologize for taking more than five minutes, but in any event I assure you that if the House does modify its Standing Orders, regardless of the time limits for speeches, I shall abide by it.

[*English*]

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, I can appreciate the need for rule changes in this parliament. To some degree I can accept a call for greater efficiency, although a chill goes up and down my spine whenever I hear that word used in relation to the democratic process. Democracy is notoriously inefficient, but it is far better than some of the alternatives we have seen in the world which could lay a great claim to efficiency.

While I could support many aspects of the motion put forward by the hon. member for Halifax-East Hants (Mr. McCleave), I do not at all see that we should confuse the issue of reforming the rules of this House with the far different idea of broadcasting or televising directly the proceedings of this Chamber. I do not at all mind destroying the unanimous agreement to which the hon. member for Winnipeg North Centre (Mr. Knowles) so fondly referred.

I do not at all mind being flatly contradictory to many of the remarks made by the hon. member for Eglinton (Mr. Sharp), who I know has been attached to the dream of televising this Chamber for a long, long time. Since he has been relieved of higher responsibilities it seems that he is about to devote himself to a drive to achieve that particular aim. Throughout all the speeches, particularly those of the hon. member for Eglinton and the hon. member for Winnipeg North Centre, we find this absolutely naive faith in the powers of television somehow to improve the functioning of this Chamber. I cannot understand how people as sophisticated as these two hon. members in so many fields of endeavour can remain so totally innocent of the effect television has on the institutions it touches. I am altogether unable to comprehend that.

● (1750)

One would assume that the world has been improved in every way in the years since television became widespread in North America, but we can look around us and see what seems to be the opposite. Sport is not better because it is televised. The Olympics, in a sense, are not better events because they are televised. All kind of things creep into the sports world because of television.

Crime is rampant in North America. One could assume that if television could improve a situation then by televising police stories and so on we would have developed a more peaceful and pleasant society. But that is not the case, Mr. Speaker. Yet we are asked to believe that somehow televising this institution would have a salutary effect, not only on it, but that democracy would be enhanced in this land. I would say that is utter illusion; worse, it is folly, and beyond that it is dangerous to democracy itself.

One of the things at stake is the representative nature of our democratic system. I know there are people who hark back to dream of direct democracy and feel that somehow democracy which started in some small city state in Greece, where everyone could be present, was the epitome of democratic government and that everything we have had subsequently, because of larger areas and greater populations, has been a poor substitute. I do not believe that, Mr. Speaker. I believe the representative system of democracy that has been developed, particularly through the British tradition of a constitutional monarchy, is the best guarantee of democracy that the world has ever seen. This would be endangered by televising this Chamber, and it would be altered by televising this Chamber in a way that the hon. member for Eglinton and the hon. member for Winnipeg North Centre cannot predict.

I would remind the hon. member for Winnipeg North Centre and the hon. member for Halifax-East Hants of a television panel on which I sat some eight years ago when I was first a member of this House. This was broadcast over an Ottawa station. I would ask them to cast their minds back to it. One thing it showed was that you could not predict in advance just how television is going to work.

I am not the only person who suggests this. People who know the medium well, such as Malcolm Muggeridge, that long time television personality, agree. He has said that the media enormously distort life.

Some hon. Members: Hear, hear!

Mr. Johnston: He says that people are given a surface picture which they come to believe—the legend made visible, the word become television. He contends that it promotes complete conformism, and that words like "population explosion" are bandied about as if they meant something.

Blaik Kirby, writing in the *Globe and Mail* and speaking of Muggeridge's series "A Third Testament", said something that could be applied to this subject when he said that nothing can be done really well on television that is not properly adapted to the visual medium, and that mere illustrations and background music do not make a program.

Some hon. Members: Hear, hear!

Mr. Johnston: I hope those hon. members who are applauding will really let that sink in because I am afraid it is only on the surface as yet. We come here to debate and to legislate; that is the onus on us as representatives no matter how far we have come. Once we begin televising this institution the demand will change, however, and it will not be for better debate and certainly not for better legislation, but for better television.

As one listens to hon. members one would think it was not this country that produced the prophetic figure of Marshall McLuhan who said, and was so much misunderstood, "The medium is the message". It is the medium itself that intervenes, alters, and ultimately destroys. We must approach it with extreme caution.

I find nothing in the remarks of hon. members to suggest that we have reached the point of control over that technology where we can safely televise this institution without endangering democracy itself.

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, I just want to say in the few moments left that the House of Commons has reached a point in its development in Canada where it will have to make some difficult choices in the direction it wants to take. The hon. member who has just taken his place said that the media distorts. I would submit that any medium of communication distorts. The dilemma facing us in the House of Commons is that we exist in a vast chamber very seldom heavily populated, and our words of wisdom are filtered out through the medium of print.

If we look at statistics of how people obtain their news in our society, unfortunately for those in the written press who sit up and smile down at us, it is television from which most people obtain their understanding of the world. What do we do as politicians who seek to communicate with as many people as we can? We sit here and say that that medium which is declining in influence, the written press, is the medium we choose to communicate with the Canadian people. That is obviously a foolish proposition.

The idea of having television in the House of Commons is to try to reach the community we seek to represent in a way which is important and meaningful. I recall in the good old days when all we had were our lungs to reach an audience, and great speakers were developed with tremendous voices that could carry over thousands of acres. But radio came along and a different kind of voice was required. The great orator of the nineteenth century disappeared and a new kind of voice, such as that developed by the hon. member for Assiniboia (Mr. Goodale), emerged.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

The House resumed consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Grafftey: Mr. Speaker, before being interrupted at five o'clock I had been talking about the aims of the bill. I asked, will it protect Canadian borrowers from loan sharking and all forms of excessive interest? We hope that the bill will prove a step forward in this regard. As the minister said, information received from our police authorities shows that loan sharking at present is a $3 billion annual industry which feeds on the abject misery of low income earners especially. I know we shall want to examine critically those aspects of the bill in committee, to make sure that we are making progress in this field.

I repeat that I do not lay all the blame for what has happened on the minister's shoulders; yet we, on my side of the House, feel that the delay in introducing this kind of legislation is somewhat, although not totally, responsible for the amount of loan sharking which has grown up in this country

over the years. We do not say that loan sharking does not take place in other countries, in the western hemisphere especially. The point is that we are concerned about what happens in this country.

Some talk of usury, as it was called in biblical times; some call it loan sharking; others, the charging of excessive rates of interest. Whatever one may call it, the point is that the rectifying of such problems should be one of the central thrusts of this legislation. Having said that I add that we, on my side of the House, are not convinced that the measures as outlined in this bill will by themselves rectify the problem of loan sharking.

The minister has already outlined some of the approaches he will take vis-à-vis criminal sanctions. It is our hope that, apart from anything this bill may attempt in the near future in relation to loan sharking, clear and explicit proposals will be brought forward for amending the Criminal Code, to include loan sharking. We say that such provisions should be added to the Criminal Code.

I now mention the recommendations made by the province of Saskatchewan in this regard. It is the opinion of that province that the question of loan sharking has not been dealt with to any great depth in this proposed legislation. Further, the appropriate body in that province has expressed the opinion that loan sharking cannot be prevented, and can be effectively dealt with only by specific legislation aimed at the practice. Loan sharking should be an offence under the Criminal Code, and attempts to deal with it within an act intended to regulate legitimate lenders only reduce the ability of the act to deal with legitimate lenders. Similar language is to be found in other briefs, whether emanating from consumers' associations in Canada, provinces, or other interest groups.

Having said that let me add that we, on this side of the House, intend to make sure, by introducing amendments if necessary, that the loan sharking provisions have teeth in them. I want the minister to listen to us. We are in favour of clear sanctions against loan sharking being included specifically in the Criminal Code.

What can one say about the minister's stated goals relating to protection against excessive interest charges? I will not be definitive. Members on my side have listened to the representations of interested parties; frankly, although we have not made up our minds, we remain unconvinced about the effectiveness of some parts of the bill. We feel that loan ceilings and rate limits ought to be included in the bill. Perhaps as we consider this bill further the minister will tell us more about his concept of the unwarranted rate.

I refer once more to the Saskatchewan brief.

Mr. Gilbert: Hear, hear!

Mr. Grafftey: It says that the customers of this country's finance companies will only benefit from a borrowers protection act if that legislation includes provisions for loan ceilings and rate limits. I believe the Consumers Association of Canada also says something pretty pointed about this. The brief goes on to say that without such provisions the improvements made will be minor compared to the cost to the consumer, and the legislation may well prove to be a paper tiger which works to the detriment of the consumers it intended to help. As the brief says:

> The elimination of loan ceilings and rate limits may eventually only lead to demands for the re-introduction of same, in much the same way as the repeal of the usury laws led to demands for the re-introduction of similar legislation.

The minister, as the bill proceeds through its various stages, will have to come clean with the opposition and reveal exactly what he means by unwarranted rates. He will have to come clean with the Consumers Association of Canada with regard to the proposed abolition of fixed interest rates for small loans. I question it. I know that the traditional stance from critics of the opposition will be, "Make up your minds".

● (2010)

We do not think that the last word is in here. I say to the minister that it will be a very important aspect of the legislation when we hear the various representations before committees and otherwise. I simply repeat, with the Consumers Association of Canada, that we seriously question the proposed abolition of fixed interest rates for small loans, whether we intend to define in the bill or in the regulations what constitutes a small loan.

In relation to the minister's approach to the unwarranted rate, he has already stated that he does not expect much litigation to arise from this aspect of the bill. I agree with him. Historically speaking, it has been proven over the years, certainly in the past 50 years, that low income borrowers, and that is essentially who we are talking about, are not very litigious in this regard. Therefore it will not be through litigation that we will solve this. At least the minister does not expect much litigation.

Mr. Gilbert: Low income people cannot afford litigation.

Mr. Grafftey: They cannot afford it. That is quite true. At any rate that is another reason why we on this side want to hear a lot more about the basic philosophy and the practical application of the unwarranted rate as it affects consumer borrowers in general and low income people in particular.

I intend to read from the Consumers Association of Canada report. I am not just going to quote it. I will make quite sure as I put these thoughts on record that I am speaking for myself and, I hope, this side of the House. I quote:

> The CAC's most severe reservation concerns the government's proposal to eliminate the limits on interest rates for small loans. Until now these have been regulated under the Small Loans Act.

The minister mentioned that in his opening remarks this afternoon.

> —government officials may believe that the free market is the best mechanism for ensuring that interest rates are reasonable.

I speak for myself in this regard and, I think, for many members in this House who have met with low income credit consumers who were in an awful bind. I believe that the free

market is not necessarily the best mechanism for ensuring that interest rates are reasonable.

Some hon. Members: Hear, hear!

Mr. Grafftey: It further states:

Most people are not very sophisticated money shoppers,—

This does not necessarily just refer to the low income shopper. When people really want credit, maybe they are not always sophisticated shoppers.

—and they do need the protection that realistic interest ceilings afford to prevent price-gouging by relatively powerful lenders.

I say to the minister, let's not dream, let's not kid ourselves. Basically I am a free enterpriser. However, if we are going to be serious about legislation like this, we should pay very close attention to those remarks.

Overburdening high-risk people with loans at say 48 per cent or 55 per cent will not do much to help them deal with the everyday problems of being poor . . . low-income people will be much better off if government decides to help them directly—through . . . community debt counselling facilities and other programs implicitly designed to meet the needs of the poor.

It further states:

A major objection relates to the decision to drop federal licensing of small loans companies.

In my view that could be a very major objection. The evidence is not all in, but possibly we will have a major objection relating to that decision.

As well, the bill allows consumers only limited means to obtain restitution for losses incurred as a result of illicit lending practices.

We then come to another question put by the minister in terms of his goals for this bill. Will the bill provide the public with more and better information on all credit and deposit dealings?

Obviously the minister is starting out by making progress in this regard. However, if one looks at the Senate and joint hearings of the past, the various commission recommendations, and at what has been said by previous ministers, we on this side cannot be blamed for being just slightly confused by what the government has said to date in this regard.

Webster defines interest as "the price paid for borrowing money". I am not too shy to admit in this technical area of these considerations, whatever that means, that how we define interest affects the notion relating to the minister's stated principle of eliminating unnecessary complexities and confusion in the credit field. We do not think the last word is in this part of the bill about full and complete disclosure, be it interest rates or ancillary costs which the minister talked about in his opening remarks.

I have had consultations with many financial institutions, consumers, and consumer bodies. It seems to me that we can ensure that the individual consumer can do realistic comparative shopping from one institution to another if we make sure in this legislation that the interest rates and ancillary charges are clearly delineated and spelled out.

Let us not rush into this proposal. I rather think the minister is contemplating a few amendments to the legislation in front of us. I know that in spite of Webster's definition that interest is the price paid for borrowing money. We can get into the concepts of money rent and that sort of thing.

We would be very negligent if in our approach to this part of the legislation we forgot entirely about common usage over the past years. Interest is interest, and with regard to these ancillary charges of on-loan contracts, whether they are insurance or administrative, as the minister so ably delineated and made comparisons about in his opening remarks, we have to be very careful in this part of the legislation. The minister is on the right track, and that is very laudable, in making sure that the individual borrower, and borrowers collectively, can really do comparative shopping and get the best deal. We have to ensure that part of the legislation spells out clearly interest plus the ancillary charges. Whether we want to lump them all together in one rate is another matter. I warn the minister that we may have lively meetings in committee unless some minds are changed in this regard. I believe we must approach this part of the bill with great care. I know that economists can be very confusing in this regard. They talk about "retaining flexibility, then money rent will be a working definition of interest."

● (2020)

We can listen to economists until the cows come home, but it is possible that what we have to do in this legislation is make sure we spell out to the consumer the real cost he is paying on one hand and separate the charges on the other. If, in some ancillary part of the information given to the consumer, we want to calculate the real interest rate he will be paying, as the minister did so ably in his remarks, well and good. But I am a little leery of accepting the computation of interest rates by lumping them in holus bolus with ancillary services because, if you carry that principle over to transactions outside the field we are discussing, we could end up in some degree of confusion. The minister's argument in this regard appears at first glance to be inconsistent with the recommendations on consumer credit made by the Joint House and Senate Committee on Consumer Credit and the Cost of Living.

We hear time and time again that the interest rates and ancilliary costs must be properly presented. That goes without saying. The first recommendation of the committee, dealing with truth in lending, says that every person or financial institution extending consumer credit—

shall be required by law to disclose to the consumer the total cost of that credit, expressed both as a lump sum and in terms of simple annual interest.

There is no mention here of potential income forgone, not of an "effective" rate of interest. I am taking a fair amount of time to deal with this important aspect of the bill because it is one which must be handled with care to make sure we have drafted the best clause possible.

The committee, in its report, expressed a desire to ensure that the consumer was aware of both the dollar cost of credit and of this cost expressed as a percent per annum of the amount borrowed. It took the view that since the role of both the minister and the committee was to ensure cost of credit

disclosure so that the consumer could make a reasoned decision about using credit and obtain credit from the most economical source, the apparent disagreement among the minister, the committee, and the Canadian Consumer Loan Association is one based upon methods rather than goals. We recognize this, but again I have to ask the minister: did his department really consult the Consumers Association and the financial institutions with regard to the method of disclosure, comparative shopping, rate shopping? We shall have more to say in this regard.

The final goal, as stated by the minister, was to define strict and uniform rules to protect all borrowers and depositors and to rationalize federal credit legislation. It is a worthy objective, but will it be achieved? We have to move into this legislation with the greatest of care because, as a result of delay on the part of the federal authority, the provinces have naturally moved to a greater extent in this field. This is one reason for suggesting that we move forward into this aspect of the legislation with great care, though not necessarily slowly.

I should like to terminate by addressing my remarks to those aspects of the bill which particularly affect people with low incomes. I believe that if each and every member of parliament could get up in the House and recount his or her experiences of credit problems involving low income people, some tragic stories would be put on record. I share the view of the Consumers Association of Canada that part of the answer to low income credit problems lies in society assuming responsibility for providing an adequate level of basic support so that credit is not needed. This is why it is very wise that the bill before us should be given to the committee on social welfare.

Moreover, since the unwise use of credit is often cited as one of the major sources of personal bankruptcy, public counselling under the sponsorship of credit institutions and government should be vastly extended. Whether we can amend this particular bill in such a way as to make provision in this regard is yet to be seen. The feasibility of providing low cost credit in certain circumstances should also be explored. In any case the vulnerability of the low income population with credit difficulties is now well known and should therefore be a priority target. The minister is making a beginning with this bill. Maybe through detailed and meaningful hearings at committee stage we can do more in this regard, and if the minister decides to take such a course he will find us, on this side of the House, most co-operative. We wish to say, in fairness to the minister, that we too favour the retention of licensing requirements for regulated lenders subject to exemption of lenders already governed by federal or provincial licensing requirements.

Along with the Consumers Association I am worried about the special hardship which could be associated with the use of people's homes as security for consumer loans. This is another aspect we should be very careful about as we proceed.

● (2030)

Both the Minister of Consumer and Corporate Affairs (Mr. Abbott) and the joint committee recommended that a mechanism be established to supply credit at reasonable interest rates to those on low incomes. A low income does not necessarily render credit infeasible or unwise—the minister has already alluded to that—and credit supplied to those in need may well assist them in breaking out of the poverty circle.

In his opening remarks the minister said that very often a low income borrower does not in itself necessarily mean a high risk borrower. Past ministers have referred to experiments undertaken by the Royal Bank in a low income district of Montreal. There credit is granted to low income workers and welfare recipients at low rates of interest. Assisted by credit counselling from bank officers, the repayment record of those granted credit in this experiment has been excellent.

The joint committee recommended a federally controlled extension to the banking system to grant credit that "would be repayable over an extended period . . . would bear a low rate of interest" and "would be made only for provident and productive purposes related to the preservation of home and family". With the addition of financial counselling services, a low income credit scheme would be a practical mechanism. I am not suggesting, of course, that we delineate a vast low income scheme in this bill, but I would hope that with the provisions contained in the bill we can make some progress in this regard.

We must also consider the establishment of a low income credit scheme. Credit education is a must. There are so many things that fall within the purview of the minister in the area of consumerism, whether it be motor vehicle safety, drugs, food or what you will. We can work, and work, sincerely, across the floor of this House for the benefit of consumers, but unless they are properly informed as a result of our actions in this House or elsewhere, and by education at the grass roots level, if you will, we will not make much headway. Therefore it is my hope that provincial education systems will consider adding a compulsory personal money management course to their curricula. Perhaps this would have been impractical in a bygone age, Mr. Speaker, but in this day and age we should encourage our provincial counterparts to take this step so as to complement what we are trying to do on the floor of this House. In the view of those on this side of the House, this is a classical problem that involves government, the consumer, and the corporate entity.

I congratulate the minister for much that he said today. I do not doubt his sincerity, and again I say that we are in accord with most of the basic principles of his approach. We will work hard with the minister to produce a better law, but in spite of the ruckus when I said this before the dinner hour I am certain that unless we can delineate a common interest between the corporate sector, the consumer sector, and government in its general interest role, we will get nowhere.

I have been told time and time again that the consumer and marketing boards, for example, are mutually exclusive, that you will either be before the consumer or before marketing boards. I do not accept that. I accept that you must have viable producers before you begin to protect the consumer; but that does not mean to say that often the government does not

have to take tough and unpopular decisions. After all, you cannot please everyone all the time.

At the risk of sounding repetitive, let us all on both sides of the House resolve to help the minister draft a good law. By consultation and by opening up communications we can show both the corporate sector and the consumer that their interests are enhanced; we must demonstrate to each where their mutual interest and common ground lies. Again I congratulate the minister for his major thrust in this House. We on this side of the House will be here through all stages of the debate and in committee so as to make sure that this is the best possible law.

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, having listened to the previous speaker dealing with the free market and the provision of credit to low income borrowers I think he advanced light years for both himself and his party in saying that he recognized that the free enterprise system is not necessarily the best way of ensuring credit to low income earners.

I would be less than honest if I did not say that the minister knows that there was a great deal of trepidation when it was announced that he was going to be the new Minister of Consumer and Corporate Affairs since many people in this country saw him as the representative of corporate interests. I think he had to deal with that in the early weeks of his appointment, and I sympathize with him in his dilemma. I think this is why this particular bill has been brought forward. The Minister of Consumer and Corporate Affairs (Mr. Abbott) is being resurrected as the defender of the consumers of Canada. At least that is what appears on the surface. But when you examine the bill very closely, Mr. Speaker, you will see that this is the biggest con job ever perpetrated on the consumers of Canada.

As for the few positive aspects of the bill, finally the government has realized that in a progressive society legislation respecting consumer credit protection and a declaration of interest rates ought to have been in the federal statute books a long time ago. Indeed many of the proposed changes in this bill have already been accepted by the provinces, many have legislated many of the items being regurgitated in this bill. Indeed all the industrialized countries of the western world have much more progressive credit legislation for consumers and consumer protection as they grovel and jostle for credit in the market.

The prime purpose of the bill appears to be an attempt to meet the credit needs of low income borrowers. As I have just said, it is meeting a need for law that has not been previously enacted by federal legislation. For example, I might point out how dated some of these provisions are. The Interest Act has not been amended since 1917. In effect the minister is finally coming into the twentieth century with some kind of legislative progressivity.

There is no doubt that some of the provisions in the bill will go some way toward providing protection for consumers. Our concern is that we feel there are fundamental changes outlined in this bill which, contrary to what the minister said in his back-up paper, and in the House when he spoke earlier today, in some instances will do a disservice rather than a service to the low income borrower.

● (2040)

One of the greatest problems has to be, as pointed out by the Consumers Association of Canada, the lack of research concerning the credit needs of low income people. I tried to obtain some of that information from the minister's department. I told them they must have some research in respect of incomes of low income earners from which they could furnish me some of the background papers and research done in respect of this bill. There certainly is a lack of any kind of research concerning the credit needs of low income people.

Fortunately I happen to know a consumer researcher who has done some research in this field, Michael Decter, presently of Manitoba. He points out the following in his paper:

> . . . generally speaking, those who borrow from finance companies are in financial difficulties of some sort, and have been enable to obtain credit elsewhere . . . statistics show that finance company clients are lower middle income wage earners who work at skilled or semi-skilled or clerical jobs. Middle income and lower middle income people, who are primarily wage earners, form the bulk of the finance companies' clientele, while the poor are ill-served by the industry. About half of all applicants for credit are turned away by the finance companies . . .

These I suspect are in the wage bracket of less than $5,000 a year.

> Those who are not turned away are using the money primarily for necessities. The major purpose of loans is to consolidate debts, usually as a sign of financial difficulty.

These loans by low or middle income people are being made at rates of 24 per cent to 33 per cent. The industry blames the high cost of loans on the risk it faces. I shall quote the industry. It is stated that loss ratios for consumer loan companies range from 1¼ per cent to 1¾ per cent of outstanding receivables, and for sales finance companies about half of one per cent of receivables. These losses are higher than those of the banks but certainly are not unmanageable. The concept of risk is very important because in Clause 8 of the bill one of the factors to be determined in calculating the cost of the loan is the degree of risk assumed by the lender on the lending transaction. There is also the matter of collateral, the age, the capacity, the financial position, and the mental and physical health of the borrower to be considered.

The bill claims to protect that one half of the people who are turned away by the finance companies because of high risk and low income. These were the people whom Captain Henri Marchessault found in a two-year study to be likely to use the services of loan sharks. He found that of 7,000 clients only 20 per cent had criminal backgrounds, which incidentally might explain their inability to get other credit, while the remainder were low income earners with nowhere else to go. From this we see that the people who take advantage of the present high rates of finance companies do so out of necessity. Those who go to loan sharks, because of their very low incomes, probably require money for their necessities as well, but they obviously cannot get it from the lending institutions.

The government appears to have looked at this situation and decided to attack loan sharking, while at the same time opening up lines of credit for those whose earnings are less than $5,000 by eliminating interest ceilings on small loans. While this may have some effect on legal loan sharking its other effect will be to make an already profitable business more profitable. Considering that most of these loans are taken out to meet necessities it will also mean that young people with low incomes will go into perpetual poverty through debt to pay for their necessities, at rates of interest as high as 60 per cent or 70 per cent. It should also be noted that these higher interest rates undoubtedly will also apply to many of those people presently receiving loans at 33 per cent.

Moreover, since the bill allows a person's age to be taken into consideration, then because of risk—and this is in Clause 8—it also means that young persons starting out in life will be starting out with very heavy burdens even to buy their furniture. This all seems very unfair, considering the low rate of non-payment of the finance companies and presumably among loan sharks as well.

The elimination of the ceiling on interest rates is one of the two fundamental changes in the bill which will hurt the position of low income borrowers. The other change is the one which forces the borrower to take legal action to have any wrongs redressed. The Consumers Association rejected this and it was pointed out that low income earners, the ones whom this bill is purportedly aimed at, are the very ones least likely to use or to know how to use the courts.

The government suggests that competition in the market place will be the device which prevents interest rates from rising unreasonably for low income earners. We can reject that argument without discussion at this point. In other words, what the bill does is send the low income earners from the loan sharks to the finance companies which have no limit on their interest rates. As my colleague points out, the lawyers also probably will be involved in this.

There are other solutions. The least radical of the solutions would be one put forward by the government in the 1974 election. At that time the government promised a loan insurance scheme for people establishing credit. This is another promise the government has not kept. This would eliminate the risk for the finance companies and, given the low rate of loan defaults among low and middle income earners, would probably necessitate only a minimal increase in interest rates. This is the one part of the bill we on this side of the House could never accept.

The government has said that the rationale, the main purpose in introducing this bill is to get people away from the loan sharks. To do this it will provide and ensure that the low income worker can obtain a loan from the lending institutions. Of course in order for it to be profitable for the private sector, the finance companies and the banks, to go into this business there has to be some assurance, a minimization of the risk, because the low income earners are poor risks. It has to be made worth their while. The interest rate will be one which, as set out in Clause 3, "may provide for any rate of interest that is agreed upon." Well, that is very broad.

I say to the minister that in effect a person who would come to borrow money from a person with money to lend is prepared to accept anything close to what the minister calls the criminal rate. I say he wisely calls it that. In effect the criminal rate could be 60 per cent. Here we have a person who has no credit rating at all coming to borrow money and entering into an agreement for a rate of interest that is agreed upon. The interest rate could very well be 50 per cent. The minister might say it is better for the low income borrower to pay a rate of 50 per cent than a rate of 1,500 per cent to the loan shark. Both instances are totally unacceptable. They are totally unacceptable for the low income earner. I think the minister will agree with that.

• (2050)

This clause setting the interest rate agreed upon between the borrower and the lender is supposed to be in keeping with the minister's statement that this bill underlines his determination to help police forces fight the ever increasing crime of loan sharking. Where I come from in the Carribean we have a fish which is even more dangerous than the shark, and that is the barracuda. It seems to me that we will take these people away from loan sharks and leave them at the mercy of barracudas for whom it will be quite legal to charge 50 per cent interest, or as close to that rate as possible. It seems to me that this is not the solution for low income earners. The government set out the problem very well. It wants to get these people away from loan sharks and into legitimate institutions. I wonder if it is not rather like jumping from the frying pan into the fire.

Mr. Fraser: Where would you go if not to a legitimate institution?

Mr. Rodriguez: How does the minister expect these low income earners to get some measure of justice if they think that somehow or other they are getting taken? The onus is now in the low income earner to take the institution to court. I can just see a person making $5,200 a year in Nickel Belt taking IAC, AVCO, or the Royal Bank to court because he thinks he is paying too much interest. The minister probably would say that under the bill he can stop making payments on his loan and then the institution will take him through the court process. But low income earners are threatened by and are leery of the court system and of the whole process.

The minister hopes the system will work with enlightened people, when by and large the low income group are afraid of the whole system, and certainly they are not aware of their rights. We know, all of us who have riding offices in prominent locations, of the problems that our constituents bring to us; we know the kind of help they need as they go through the maze of bureaucratic red tape, and I think the minister also is well aware of that.

We have suggested an alternative. We think that the present system of loan ceilings should be retained. It eliminates risks, and it seems to us that that is the crux of the problem and why

the so-called private sector people, banks and finance companines, will not lend money to low income earners. It seems that risk is the problem.

An hon. Member: What happened to free enterprise?

Mr. Rodriguez: Even in that system we think there is a solution. Certainly the government can guarantee the loans, and this is not a unique idea. We do it for student loans, we do it for loans for farmers and for fishermen; we do it right down the line. We do it through EDC. Imagine a bank guaranteeing INCO a loan at small interest rates. Study after study carried out by committees of this House and of the other place have pointed out that people in this sector of society are locked into poverty, and we have not done a thing to change that pattern. We have tinkered with the income tax structure, but they are still locked in. Here is the minister bringing in a bill trying to use what he thinks is the free enterprise system to solve the problem.

We think that one possible solution to eliminate the risk is to guarantee the loan, so if perchance a person falls short on a loan the lender will not lose as a result of it. It seems to us on this side of the House that this would be a better approach to the problem.

We also think that the ceiling ought to be maintained, otherwise how is the interest rate going to be determined? According to the bill the interest rate would be determined on the basis of the applicant's background, his age, his financial stability in terms of his job, his physical health, his mental health, etc. But here is the crux of the problem, even with that simple approach.

When a person goes to borrow money from the bank or from the finance company, if this bill is passed the way it is the lender could ask to see the interest rate he is being charged. How generous that is! But does he have the right under the bill to ask how his interest rate is determined, what factors were used to determine it? Is he allowed to say he does not agree with those factors and to ask where they got them, whether they got them from his neighbour? He has no control over information regarding his personal life. He cannot even ask to see it. That is a fundamental shortcoming in the bill. It is even more ridiculous. If he wants to find out about the institution with which he is doing business, such as information on how many times it was brought to court for an infraction of this act, he has to go to the administrator and pay a fee. Imagine, he has to pay a fee for information about the institution with which he is doing business!

This puts another burden on low income earners to get the necessary information on which to make decisions within their ability to decide. I do not think that is fair. Furthermore we surround this administrator with secrecy. He cannot reveal anything about the operation which he may be investigating. He cannot reveal that information to the person who may come to him and, for a fee, ask pertinent questions. We think that a change in this regard should seriously be considered.

We also think that there should be a credit ombudsman under this legislation so that if a low income earner thinks he is being taken to the cleaners with respect to the interest he is being charged, or with respect to any other item under the bill, he could apply to the ombudsman. The ombudsman could then investigate the matter and, if in his opinion there was an infraction of the act, he could take the matter to the administrator who would lay a charge against the lending institution. The state would pay the cost to take the case through the courts of the land. It seems to us that this would prove to be far more fair and would provide protection for the low income earner who tries to obtain credit in the market. We do not think the onus should be placed on the low income earner, on the borrower, to take the institutions to court. What we are proposing, we think, is a very viable solution to the problem.

We also have positive suggestions for the government on a matter which was touched upon earlier. We certainly think that one of the problems of our society is the improper use of credit. We do not think we have really done our utmost in this area or that we have done everything possible to provide funds for credit counselling. Certainly the minister put out press releases about the $300,00 granted to the Consumers Association and $100,000 elsewhere. That just scratches the surface. We have to make an effort to educate our people to the use of credit, not the abuse of credit. That goes not just for low income earners but for middle income earners as well.

• (2100)

We are discovering that we should be spending more money on teaching French in our elementary schools, and everybody is beating his breast saying that is what should be done, but in this area as well money should be spent to teach young people the wise use of credit. It seems to me we can do that through the school systems, community colleges, the Consumers Association of Canada, and community oriented groups which operate in every community across this land. We could spend all kinds of funds. There was a $3 million surplus as a result of tickets left over after the Olympic lottery. Surely that should be put into a fund for these kinds of community programs. There are funds available, and we should set the right priorities.

As I have said before, we think that the administrator should have more power than he is given under this bill. As we see it, the role of the administrator is simply to collect data and information, and for a fee he can dispense part of that information to an applicant. Under a previous consumer bill a couple of sessions ago, Bill C-2, the competition bill, the administrator had considerable power to decide cases, and those cases can be taken to the courts. We say that the administrator in this particular instance ought to have that same kind of power.

We think also that there ought to be some changes made with respect to the whole question of discounting tax and social security payments. This bill proposes to get rid of the worst aspects of this particular practice by defining this operation as a lending transaction. We think that leaves a lot to be desired, and that it just exposes the low income earner to a

mutually agreed upon interest rate. That particular clause ought to be changed and made more effective.

Clause 37 ought to be changed as well. It defines offences and punishments for such offences. Clause 37 outlines offences with respect to interest rates, and we think it should be beefed up considerably. It has been argued in this House that the stronger the punishment, the greater the deterrent. I have heard that for the last year. Many Conservative members have argued that in this House.

An hon. Member: Hang them.

Mr. Rodriguez: The hon. member wants to get back to hanging. Following the logic of members of the Conservative party, we should tighten the bill up. We do not think that for gouging poor people a $10,000 fine is enough. We would like to see a $250,000 fine or 10 years in jail, or both on summary conviction. It seems to me that with respect to offences and punishment clause 37 could be tightened up considerably.

With respect to advertising, the bill ought to contain some provision with regard to our free and easy way of advertising credit. That is contrary to the very thing we talked about earlier, credit counselling. We are all acquainted with this little gimmick: "After you have decided on leather, paper or wood, and after you have decided on yellow, green or brown, isn't it nice to be asked, 'Will that be cash or whatever?' " It seems to me that that does not teach people the wise use of credit.

Whenever we can create a need, we can go out and buy something, and all we need is a little plastic card. The minister says that all the bill proposes to do about that is to make sure that advertising includes the rate of interest. Again that does not get at the crux of the problem. We would like to see that kind of advertising abolished altogether. We do not need that kind of free and easy approach to advertising credit, and in our opinion putting in the interest rate is not in line with proper consumer education with respect to the use of credit.

The main thrust of the bill is the question of ensuring that low income earners do get credit. We cannot agree with the government, and with the minister in particular, that the bill will ensure protection for low income earners and that they will get credit. We think the scales are tipped against the low income earner but that they can be evened up.

This bill could be much fairer, and in committee we are going to try—as we have with the last two consumer bills—to put forward amendments which will provide some protection for consumers. The minister will have a chance to prove himself to be a friend of the consumer. We will judge his performance by his willingness to accept amendments, and we hope the amendments we put forward will make the bill much fairer for low income earners. We will try to be as constructive as we can, but we must tell the minister quite frankly that the crux of the bill is the area I have just delineated, and we must make some changes. Our support for the bill will depend upon what changes are made at the committee stage, and at report stage when the bill comes back to the House.

● (2110)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, first of all, I must thank the minister and the government for bringing forward Bill C-16, which gives us the opportunity to discuss this very important subject, namely the very wise use of one's credit to ensure one's future and to protect one's dependants.

As a matter of fact, it is a very important subject and in the release, dated October 27 which was distributed to us by the minister, I find the following in the second paragraph:

> This bill on credit has several goals:
>
> 1) to protect Canadian borrowers from loan sharking and excessive interest rates.

We have been in favour of this objective for a long time, Mr. Speaker. Furthermore, I think we said it often enough in this House to convince every Canadian.

> 2) to increase the quatity and the quality of information on credit available to the public, thus eliminating unjustified complications and causes of confusion in this area,
>
> 3) to establish strict and consistent regulations in order to protect all borrowers and depositors
>
> 4) to rationalize federal legislation on credit.

I say that all these goals are highly commendable, Mr. Speaker, and that is way the day after the bill was tabled in the House of Commons, there were big headlines in the newspapers: Measures to protect consumers and borrowers from loan sharking.

Then a deep sigh of relief was breathed by those whom the bill is designed to protect. They told themselves: at last, the government is going to protect the little people, the underprivileged. Yet, it must be remembered that here, in this very House, bills as commendable as this one have been introduced and passed, bills which are now in our statute books but have failed to bring the expected results. It does not mean that the law is not good. It is because it is not being strictly enforced. Laws are applied slackly to the big interests, to those who control our economy and our credit.

It has often happened that legal proceedings were taken against monopolies and then the case dragged on before the courts, and finally, after a hearing was held, those companies were imposed fines with as much impact as a quarter for ordinary people. A fine of $25,000 for corporations which have earned millions and millions of dollars of excess profits looks good in the eyes of the public, but it is not what one might call a very effective law.

That is why, as far as this bill is concerned, I consider that those sanctions provided here are not severe enough. We will still witness circumstances allowing people who are used to live as hangers-on at the expense of the low-income earners to make tremendous profits by circumventing the law. If by any chance some organizations are sued, the poor judge who on the bench convicts those organizations or individuals must abide by the law and enforce the maximum penalty, which I think is far too weak.

Mr. Speaker, rates of interest are the basis for the major issue in our country—inflation. And in the communiqué as well as in the bill, we see that interests will now be cataloged. There will be interests that will be called legal interests. There will also be what will be called usury interests. Some others will be called unwarranted interests and criminal interests. But who will determine what interest rate the consumer, the borrower is dealing with. He will have to complain, to appear before agencies, even to take legal action in order to establish that the law gives him no protection, even if it says: The lender has to establish that the interest rate is warranted. There are two sides to every question. If the complainant wants to show his side of the story, he will have to pay, Mr. Speaker, in order to establish that he is really penalized by an interest rate which is exorbitant, unwarranted or even criminal.

Then, in such circumstances, I think it would advisable, when the bill is before the committee, to bring forward an amendment in order to clarify the situation and to determine once for all what should be a normal interest rate, a specified rate, and never mind the rest. I believe that all other rates are usurious, either unwarranted or criminal, it is loan sharking. And the government itself must presently suffer the consequences of such loans at exorbitant interest rates; that is inflation.

The same thing occurs in industry, trade, business, everywhere unduly high interest rates. That is why prices are rising. That is why many businesses are in a difficult position. That is why we have inflation and also unemployment. All these things go hand in hand.

Furthermore, Mr. Speaker, the release reads as follows:

> Consumer credit has shown a tremendous increase since the last war. In 1948, the outstanding consumer credit totalled $835 million. By 1967, it had spiralled to $8.6 billion and, finally, to almost $24 billion by 1975.

Mr. Speaker, I am prepared to believe that private individuals go into debt in a thoughtless and excessive way, but are the governments setting a good example in this connection? Are the governments not going too far? Are the governments speaking the voice of reason in this matter?

● (2120)

Whether it is the central government, the provinces or the municipalities, let us examine the statistics. Let us compare them with statistics on personal indebtedness and we will discover that our governments have really not set a good example in that regard. We are drawn by an example. When the example is good, so much the better; when it is bad, so much the worse. But just the same we are imitators.

Mr. Speaker, there are all kinds of factors inciting the small wage earner to spend hastily. How many ads are shown on television? We know, Mr. Speaker, how costly is the use of television whether for advertising or for political information to the public. It is exceedingly costly. Throughout the day we have TV programs inviting people to spend. All the fine points of such and such a product are shown, even when it is beyond one's means, today there is the advantage of credit cards for ladies and gentlemen. Spend, mortgage your future. That is done under the complacent eyes of governments, members of Parliament, like us. And little is done, not by members of Parliament because quite often they are too busy, but in any event we all know this is going on almost if not 24 hours a day.

Just look at the pages of your papers, particularly those dealing with credit. Look at the enticing ads inviting people to spend, and in the other page: Madam, order your Master Charge, Chargex, or any other credit cards. Yet we know that the use of credit cards requires moderation. It is very useful to travel. It is excellent. But one has to know how to use it. When there is exagerated advertising like that it is not surprising that at a certain moment individuals should be in debts over their heads for years and years to come.

Mr. Speaker, I remember Commander Desjardins, the founder of the caisses populaires, who was an officer in this House when he was younger, an exemplary man, a man who practiced what he said. It is a lot, Mr. Speaker, to practice what one says. To tell others is nice but to practice it is better because the example, as I suggested earlier, is much better than words—acting.

What did Commander Desjardins do? He realized that the little French Canadian people in our community had possibilities but that our money was not being used as it should. While I was still very young I attended a meeting with my father in a school room—not like the nice ones they have today but with little tilt-over seats. Everybody tried to fit in—it was fine for the smaller ones but the taller ones had problems. And for the first time I heard someone say that thrift is a virtue, and since it is a virtue it must be practiced. We were shown that if we wanted to cooperate, if we wanted to put our pennies, our dollars together it was possible to use them in our community to prepare the future of our children. I understood the lesson, I took note of it, and several people my age noted the idea. We understood that thrift is a virtue. We have tried to put it in practice. It has therefore become the practice to think before spending, to earn first and spend later. Today, with the advantages of the credit system which is made available to them, people are led to believe that the best way to live is to spend today what they will earn in five, ten or twenty years if the Good Lord keeps them healthy. It is not surprising that figures show that people are in debt and that they have mortgaged all their credit.

Mr. Speaker, I think we should also take action in this bill to limit this exaggerated publicity, this invitation to spend, thinking that there will be no end. We should be careful, Mr. Speaker! Here is an example of this: Suppose there is a refrigerator full of food in the house. Because it is full, everyone has the right to take from it, but no one has to replenish it. Will it become empty? Of course, it will, and very soon! In our country, we are living somewhat in this way. We have the impression that we are entitled to everything and that we have no obligations. This is why there are so many people who do nothing and who produce nothing. This is why the economic situation of our country is going down and this is why our country is in a slump.

I have just dropped my glass. This is not a great loss. If there were only one glass lost in the administration of the government, I think we could show a surplus at the end of the year.

Mr. Speaker, we are asking people to make sacrifices and to tighten their belts. Let us look at what happened at the Olympic Games. We were supposed to have modest Games. We were told the Games would not be too expensive. I too like beautiful games! Recently I got a French a deck of cards and I found it very beautiful. That is fine, but we must restrain ourselves.

We also had a lottery and this is a modern or ancient way to finance the public sector. People were urged to buy tickets in order to win a million dollars. I have known poor people who needed a higher income so as to pay their debts, but they took chances because there was a catch behind the ticket.

What happened during the Olympic Games? In order to go and see foreigners run for 15 days, we have mortgaged the Canadian people for 20 or 25 years. Children yet to be born will have to pay taxes for such wastefulness. The same amount could have been spent on more profitable projects. If homes had been built for low or middle income families, the same number of jobs would have been created and we would have something to show for it. Now we are caught as well as the mayor of Montreal and also Mr. Bourassa who is having a hard time in the province of Quebec precisely because of the positions he took on those issues.

Mr. Speaker, I do not want to be considered as a member of Parliament, a Quebecer who is against those organizations. Indeed not. But I want to prove that they really went too far. Today we are asking Canadians: Tighten your belts, you must absolutely practice restraint and economy.

● (2130)

Mr. Speaker, this bill contains other good provisions and gives some advantages to small earners who sometimes will have to take legal action. The loan aspect has been looked after to prevent unwarranted rates and the credit rating must be taken into account, but we do nothing about the true rate which is charged and which is responsible for small interest rates. I said several times in this House that I am not an expert but it does not matter, we have eyes to see and ears to hear. Interest rates are controlled by chartered banks. The minister says in his statement and I quote:

> Banking institutions issue a large part of consumer credit and are exclusively under federal jurisdiction.

It means that banking institutions are our chartered banks and that we should have a provision in this bill about the power that should be given to the Minister of Consumer and Corporate Affairs, a very special provision to ensure that interest rates be somewhat reduced so that they will not increase excessively. And if we exceed the ceiling provided in this bill, we must have the guts to take legal action, even against the big institutions that create 95 per cent of the money supply in our country. Mr. Speaker, this is the main source of credit.

I know that individual credit is controled, that the credit to small enterprises is controlled, but we should control the credit of the community and stop getting money from institutions that charge unwarranted rates, and it should be provided in this bill.

Yet, Mr. Speaker, I know that during the debate on this bill, in committee, at the report stage and on third reading, we shall have the opportunity to study the question further. At that time we should study many other clauses. We should say frankly what we think about them and I encourage all my colleagues in this House to study the matter further before they pass the bill with which I agree in principle, but some details should be adjusted. I ask that we study this bill very carefully and, when it will be passed, that the minister and his senior advisers make it work efficiently so that it will not be a mere joke.

M. Speaker, those are the comments I wished to make at the second reading stage. I shall take the floor again a little later.

Mr. Pierre De Bané (Matane): Mr. Speaker, I am pleased to take part in this debate on second reading of Bill C-16 which we are beginning to consider today. It is certainly one of the most important bills introduced in this session of Parliament. Also, there is the fact that we have been longing for this day when the federal government would take its responsibility under the constitution in this area of interest rates.

Obviously this bill covers all aspects of the cost of loans, which could give rise to the issue of constitutionality, since it covers all financial institutions and does not make any distinction between the various kinds of loans. For instance this legislation covers both the amount owing a seller and the loan obtained from a bank. Clearly the latter case has always been a federal matter, but the former is much less evident. I hope at the committee stage the minister will clear that constitutional matter for all aspects of this bill. I take pleasure in stating this, because we have here in the gallery a distinguished visitor, the Minister of Equipment of the province of Quebec, and a former Minister of Financial Institutions and Co-operatives in the Quebec government, the hon. William Tetley.

As I said, Mr. Speaker, I am pleased to take part in this debate, because this bill meets a number of problems concerning trade practices, and interest rates, an area where there has been an obvious lack of consumer protection. Let me give you two examples only. There is nothing in our statutes to protect consumers against loan sharks, whose interest charges are as high as 1,000 or 2,000 percent, and there is no current provision either under which depositors or borrowers could know precisely the yield on their savings or their borrowing costs. Such is the sad fact in our country today, and this bill will certainly meet all such problems faced by consumers. Of course, the legislation covers a number of other problems also. For instance, if no interest rate is specified in the contract, the applicable rate is the prime rate. If information is not disclosed in the manner specified in the act, no credit charge is payable. A borrower may choose at any time to terminate a non-mortgage loan simply by repaying the principal and interests, without incurring any penalty.

If a borrower feels he is charged an unwarranted rate, because he finds another lender offering the same kind of loans under similar circumstances but at a significantly lower rate, he may elect either to change his loan to get a similar rate, or to enter into a new loan with the other lender at a lower rate, and repay his first loan without incurring any penalty.

I see the hon. member for Nickel Belt (Mr. Rodriguez) does not take seriously this last mentioned feature. He is critical that the legislation does not provide an interest rate ceiling. I will speak on that later on, to show that the ceiling so much talked about by the hon. member for Nickel Belt is a false protection. It was tried in the United States in a number of states, and also in Britain where the socialist government dropped it last year, because there is no way that such methods can attract savings, since they cause distortions in the market by ignoring current yields. Money will go where the yield is higher.

Finally, but without limiting the list of subjects covered by the bill, I would remind that if a borrower feels he is being charged an unwarranted rate, he may make an application to the court, and the latter will determine whether the rate is warranted or not, or wait for the lender himself to take the initiative, and then the burden will be on the latter to prove that such rate was warranted.

● (2140)

Finally the borrower will be able to take legal action if, in his view, he has been charged too high an interest rate, notwithstanding any settlement or payment he may have made. Moreover the legislation provides for stiff penalties for loan sharking such as fines of at least $1,000 and up and five years' imprisonment.

I mentioned a few aspects of this bill and a few of the problems it aims at solving but its impact is far greater. I commend the Minister of Consumer and Corporate Affairs (Mr. Abbott) for bringing it forward but regret it was so long overdue, since the federal government has not dealt much with interest rate matters since 1956. So much so that most provinces took the issue into their own hands, which resulted in the motley and even inconsistent legislation that we have in Canada today.

The banks, which granted about 30 per cent of all personal loans in Canada hardly ten years ago, now account for 60 to 70 per cent of all loans. This shows how this bill was necessary because, of course, banking operations do not fall within provincial jurisdiction.

Evidently, the first thing that strikes us is that in our country, up until today, it was almost impossible for a consumer to know what was the cost of his loan or the yield of his deposit. This is the first problem with which this bill comes to grips. Now, all institutions will have to calculate in the same way the yield on deposits and on loans. For example, as far as deposits are concerned, in the case of savings accounts, there will have to be monthly balances instead of a quarterly, half-yearly or yearly balances. This represents for thousands of depositors fairly important aggregates. Up until today, it was impossible for the consumer to know the real cost of his loan not only because each lending company or each institution which granted credit, such as the stores or the retail houses, calculated the changes differently but because each could have additional costs, the so-called service costs, bonuses, life insurance costs, withdrawals on the capital that was lent. Because of this situation, there was a lack of uniformity in the way of calculating and of indicating the costs and interests as far as borrowing and saving was concerned. Of course, this situation was particularly unfair to the consumers.

In the case of mortgages especially, there is a serious lack of uniformity and of fairness in the disclosure and in the computation of interest on bonuses, discounts and commissions. Consequently, it is not easy to compare between the various credit institutions or even between the different possibilities of credit or of saving offered by the same institution. The notion according to which the cost of a loan depends on the risk that the lender is taking is of course rather artificial since a person who goes to a bank and uses different plans of that bank is going to borrow money at different rates. If he uses his credit card, Chargex or Master Charge, the interest rate is about 18 per cent and, in the case of a term deposit, in general, the interest rate will be about 14 per cent and if he chooses a negotiated loan, today the rate is about 12 per cent.

If somebody borrows from the same institution under three different systems, the rate is of course much higher with the credit card. I am quoting only this example but if we make a further comparison between many banking institutions, which apparently makes no difference for the borrower, it will be even more obvious that all methods of computation always manage to go against the consumer's interest.

I am concerned by two other aspects of the bill, Mr. Speaker. Today, in spite of all the studies which have been made, we still have no specific information in this field, which represents nevertheless 22 per cent of Canadians' available income. This bill will finally enable full and precise disclosure of all terms concerning credit transactions, at every stage of loans, from the request prior to the contract to its expiration. Banking institutions will have to maintain a register of all their transactions and submit it to the administrator who will be responsible for the enforcement of this legislation.

Second, this legislation is proposing measures designed to standardize basic concepts used in credit and deposit activities. They will include in particular various forms of charges and costs related to a lending transaction, which will all have to be lumped together in one credit charges rate, the method of calculating rates, both on loans and deposits, and the way and frequency in which payments on loans or yields on deposits will have to be credited.

As for the point raised by the hon. member for Nickel Belt (Mr. Rodriguez) concerning the reduction of the effect of unwarranted credit charge rates, I am convinced that this goal will be pursued both directly and indirectly. Indirectly through more competition resulting first of all from increased and improved disclosure of information related to credit and,

secondly, from the standardization of the credit notion into basic concepts used in credit matters.

First of all, in the case of an unwarranted credit charge, in any dispute the onus to justify the credit charge lies upon the lender according to the risks that the borrower represents and according to the capital cost and the operating expenses. The purpose of this provision is to establish ceilings on the credit rates by requiring lenders to take into account the risk which a given borrower may represent. It eliminates the obligation to establish a ceiling on the explicit rates, fixed at a constant value, which were not efficient enough as I said before, as a means of control on the credit charges and for the allocation of credit.

Secondly, and especially in order to control loan shark practices, including its latest forms, which several members of Parliament have denounced these last few years, and I will give you just a few examples of these such as loans on the anticipated reimbursement of taxes or on the anticipated welfare allowances. The provision concerning the ceiling of credit charge rates will punish with fines and imprisonment those who lend money at a rate in excess of the designated illegal rate. One has to note that people who loan money on anticipated tax refunds and loan sharks now lend money at annual rates varying between 300 per cent and 2,000 per cent. Loan sharking represents the second major source of income for organized crime, second only to drug traffic. The heavy penalties provided in the bill will at last give police the means to fight efficiently against those offering such criminal rates.

The other objective is to rationalize the federal legislation and establish high standards for the protection of the Canadian borrower. Today, as the minister indicated, the federal legislation is scattered over the Small Loans Act, the Pawnbrokers Act and the Interest Act. These three acts are incorporated into Bill C-16, so that we may now find some sort of consistency and standardization in the federal legislation.

A while ago I was also referring to the lack of information in this area. This bill will finally provide for the creation of a Canadian data bank on the granting and use of consumer credit, which will provide the government and those who are interested in protecting consumers' interests with exact data on the nature and extent of the indebtedness within the various strata of the Canadian public, the availability of credit and its accessibility to the various categories of borrowers—including the terms of loans—the need for and use of credit.

The fact that it is now incumbent upon the lender to prove that his rates of interest are justified, that severe sanctions are now provided for plus a competent application of the act should help interest rates to fluctuate with the market and related transactions to be both fair and equitable.

One of the most important concepts in this bill, Mr. Speaker, is that requiring a single global cost of the loan. Credit costs will include all expenses, costs and fees which the borrower must pay to make a loan, other than registration costs and similar costs. Present practice has it that additional costs are added to the official rate of interest thereby hiding from the borrower the real cost of his loan.

By prescribing that all costs be included in the cost of credit and be calculated in the same way by all lenders, the act will at long last give a true idea of the real cost of a loan and enable accurate comparison of various conditions offered by lenders.

Again with regard to the point brought up by the hon. member for Nickel Belt (Mr. Rodriguez), I would remind him, as I said in my opening remarks, that the experience was made in England where it proved conclusively that interest rates imposed upon the borrowers represent a high risk, that they tend to be set just below the criterion rate and that borrowers very seldom contest them before the courts. On the other hand, the burden of the proof falling to the lender, as Bill-16 stipulates, this will encourage lenders to regulate themselves.

The borrower who feels that the interest rate is either unjustified or illegal can stop his payments, wait till the lender sues him before the courts, and the lender will have the onus of the proof, in that he will have to prove that his rate of interest is justifiable in view of the risks taken.

Mr. Rodriguez: And he won't be able to get any more credit!

Mr. De Bané: Mr. Speaker, as you are aware, the hon. member for Nickel Belt, for lack of rational arguments to support his point of view, resorts to insults and foul language which, to my mind, is the most obvious proof that he has absolutely no argument to refute the position taken by the government.

What the hon. member for Nickel Belt (Mr. Rodriguez) does not tell us is that although he would impose an interest ceiling, he cannot say by what mysterious alchemy he will force savers to go to such or such a sector if the rates imposed are not in line with the risks they will face. The best way to prove it is to consider the evolution of loans granted by loan companies since 1968, in this margin up to $1,500, with a regulated interest rate. We thus realize today that merely 20 per cent of the loans are granted in this sector and that, in spite of that, loan companies are losing money. So that explains why this financing source is dried up and people representing high risks are now at the mercy of loan sharks.

Another item which is highly important in the bill, Mr. Speaker, and which was detrimental to borrowers, is the possibility, if we except the mortgage which is another matter, for them to prepay their loans, without paying any penalties beside the normal interest and also that the penalty for late payment will not be over 1 per cent. In my opinion, this is very important and all active lawyers know to what extent some lenders will go to force borrowers to borrow for rather long terms with no possibility of prepayments.

The bill also includes the illegal interest rate which is different from the unwarranted interest rate. The illegal interest rate means a rate highly superior to the current rate, so much that it becomes completely unwarranted and it will obviously be necessary to penalize and discourage unacceptable practices such as loan sharking, loans with excessive rates on tax refunds and on various government allowances. Police authorities maintain that loan sharking is now the second

revenue source of organized crime in Canada, after drug traffic. It yields at least $3 billion a year.

Till now, no federal or provincial legislation could fight efficiently against such practices as loans on income tax refunds, old age security or welfare cheques mainly because the penalties provided for in the legislation were ridiculous compared to profits realized.

Finally, with regard to the removal of interest rates ceiling on which I would like to insist, I want to point out that if the ceiling is set above the rate essential to the lender to operate in a certain sector of the market, the market rates will prevail and the rate ceiling will become useless. On the other hand, if the set rate is below the rate essential to the lender, he will withdraw his money from the regulated sector. In fact, the lenders will reduce the loss risks until the profits with element of risk in the regulated sector balance with those on the market generally.

In the United States, a good many states have set ceilings on interest rates. Experience has shown that when ceilings are higher than the set rates on the market, there is no real difference between rates asked for in regulated sectors and others. However, in the states with ceilings below the set rates on the market, the rates tend to get close to the ceilings.

Mr. Speaker, I call it ten o'clock, and I hope I will be allowed to go on with my remarks at the next sitting of the House.

* * *

● (2150)

[*English*]

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, at the conclusion of today's sitting I wonder whether I might ask the deputy House leader on the government side whether he would let us know what the business of the House will be for tomorrow, and for any additional days he cares to comment upon.

Mr. Blais: Mr. Speaker, I am always ready to provide the hon. gentleman with as much information as I possess. In this instance I would indicate to him that tomorrow we will be proceeding with the bill presently under study. In the unlikely event that we will complete that business, we will proceed to order No. 5, the bill to amend the Currency and Exchange Act, and subsequent to that we will undoubtedly have further consultations.

[Mr. De Bané.]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AGRICULTURE—BEEF—REQUEST FOR RESTRICTIONS OF IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my remarks in this adjournment debate this evening are in response to my question to the Minister of Agriculture (Mr. Whelan) on October 15 relating to offshore imports of beef from Australia and New Zealand. I was deeply concerned that although the minister had announced his individual permit requirements before any beef imports would be permitted into Canada—that was after October 17—he had not indicated that he intended to use this device actually to restrict beef imports.

Later on October 19 the joint statement of the Department of Agriculture and Department of Industry, Trade and Commerce did announce Canadian beef import quotas of 17.5 million pounds to apply to all countries importing into Canada as from October 18 to the end of the year, and notably to Australia, New Zealand and the United States.

I acknowledge that this long delayed action will limit beef imports for the remaining two months of this year. But surely as every cattleman in Canada knows, the damage already has been done. The fact remains clear that until this announcement of October 19 Canada was the only country in the world to permit unrestricted access to our beef markets.

● (2200)

In spite of our small human population Canada now ranks as the fourth largest importer of beef in the world. Actually in 1976 Canada is first on the basis of per capita consumption. This is the situation even in the face of our record high domestic production of cattle and beef, especially steers and cows. In spite of the repeated statements by the Minister of Agriculture that these offshore beef imports did not depress our own domestic beef and cattle markets, there is ample evidence to show this is not true and that these massive beef imports, starting after August 12, 1975, have seriously depressed and continue to depress our fed cattle markets and our cow and feeder markets.

In June, 1974, the Montreal Beef Wholesalers Association made available data that clearly support this statement. In addition a comparison of price spreads in Canada and the U.S.A., between hind and front quarters and between all grades of cows, shows up this depressing element in Canada which of course is directly related to the price discounts permitted by Canada on these offshore imports compared to the same imports into the U.S.A. If more evidence is needed on this issue there is an economic paper by Freebairn and Rausser in the November, 1975, issue of the "American

Journal of Agricultural Economics" dealing directly with price changes due to beef imports.

There can be no doubt now, three weeks after the U.S.A. triggered its meat import law, that Canada's level of beef exports was the final action that brought on President Ford's October 9 action to control the level of imports into his country. That action was reflected in every cattle and beef market in Canada. Even at Walsh on that same day, which is in my market area, where we had 1,500 feeder yearlings, including my own, there was a drop of about $2 per hundred weight in response to this U.S. action.

Widespread concern by all Canadian cattle producers is now most apparent. Public meetings are being held in every cattle producing region. Very little advance publicity is necessary to get a crowd of cattlemen to discuss this cattle crisis. Three weeks ago in Lethbridge 300 feeders and cow-calf operators turned out with only two days' notice to let off steam, if you like, and draft an appropriate resolution to the minister. I was there and spoke to them. Then on October 22 in Stettler 800 concerned cattlemen held another somewhat similar meeting. The Minister of Agriculture will be hearing more about that.

Perhaps the most unique evidence of this national cattlemen's concern is the class action legal suit brought by three Maple Creek, Saskatchewan, ranchers for $52 million against the Minister of Agriculture for failing to take adequate action to curtail Oceanic beef imports. That represents $1 million a week for a 12-month period which, in their opinion, represents only a nominal loss to the Canadian beef producers. This class action suit is for real and has been properly served by lawyers acting for the Maple Creek ranchers on behalf of all Canadian cattlemen. Those of us who are old enough to remember Canada's flourishing sheep industry under range conditions, especially in western Canada, cannot help but speculate somewhat fearfully that Canada's cattle industry could go down the drain with another big push from these Australian and New Zealand imports, just as was the case in respect of lamb, mutton and wool imports from the same countries 30 years ago.

The answer, of course, is some specific policy direction to control offshore imports to reasonable historical levels and to establish further fair bilateral trade policies in beef and cattle with the U.S.A. I do not mean a supply-management policy promoted by the Minister of Agriculture. His description of the U.S. cattle industry as supply-management oriented because of its meat import law with power to impose import quotas is sheer nonsense.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I want to put a couple of things on the record. We have asked for positive evidence to be presented to us regarding the importation of Australian and New Zealand beef affecting the price of finished beef which, as the hon. member knows, is based on Omaha prices. We have always stayed ahead of Omaha prices. U.S. prices have always been under ours, which is the normal pattern. When our prices climb much higher than theirs, they ship meat from the United States.

When the hon. member refers to controls, I say he must have a very short memory because the government had controls on U.S. meat. Let us not forget that there were times during our weeks of slaughtering when the U.S. took over 68 per cent of the slaughtering in this country. That was when people asked me to put on controls. I did so, I put on quotas, but I did not hear any American say that the President of the U.S. was protecting American prices when he triggered his program, not only with respect to Canada but with respect to the 24 countries that ship meat into the United States. To insinuate that this market belongs to the American producers is quite wrong because the American price on finished beef in Canada and the United States is still based on the Omaha price, and it has stayed constant. The U.S. was bringing in Australian meat at the same time at between 65 cents and 70 cents a pound.

On October 15, and again on October 27, the hon. member asked for clarification of the steps which have been taken to protect Canadian beef producers as the result of the implementation of quotas by the United States. I trust that the following explanation will adequately serve this purpose because of the action we took when the President of the United States put his supply-management system into force. That is what it is, no matter what anybody says. He was trying to run it through voluntary quotas. It did not work, so he triggered his meat import law and he hopes that will work. Nevertheless it is a supply-management system. He says, "That portion of the market belongs to you, that belongs to you, and that one to someone else." If that is not supply-management, I would like to know what in heaven's name it is, because he is using his law for that.

In a press release dated October 13, 1976, I announced that the government was acting to protect our beef markets from any disruption due to the U.S. action, thus clearly conveying the intention to restrict Australian and New Zealand imports if they threaten to disrupt Canadian markets. This statement is quite contrary to the comment made by the hon. member in his question of October 15, which was to the effect that nowhere does the statement indicate the intention to restrict or reduce Australian and New Zealand imports. This is quite false.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please.

GOVERNMENT ADMINISTRATION—POSSIBILITY OF MOVING PART OF VETERANS AFFAIRS DEPARTMENT TO PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on October 22 I inquired of the President of the Treasury Board (Mr. Andras) concerning the move of a segment of the Department of Veterans Affairs to Prince Edward Island. He indicated that his colleague, the Minister of Industry, Trade and Commerce (Mr. Chrétien), was responsible for such matters. On Thursday it was their colleague, the Minister of

Veterans Affairs (Mr. MacDonald), who made the announcement in Charlottetown.

As I indicated in my original question, the date of November 8 is significant. On that day four provincial by-elections are being held in Prince Edward Island and it is generally conceded that the Progressive Conservative party under the leadership of a former member of this House, the Hon. Angus MacLean, is heading for strong gains in these contests. One is loath to suggest partisan motives, but I would have been very much surprised had the announcement been made on November 9.

● (2210)

I am slightly embarrassed that anyone should consider for a moment that the judgment of the P.E.I. voters will be influenced next Monday in four by-elections by a promise on something to commence four years hence. I can assure the House that the electors involved will come to their own intelligent verdict on November 8 and will not be misled by anything extraneous to their desire to elect the best possible candidates in the four by-elections.

In any case, as a long time advocate of decentralization, I welcome this move. I shall certainly extend a hearty welcome to those public servants who will be moving to my constituency. Prince Edward Island is a good place in which to live, and those who leave Ottawa will find a good and warm reception in the beautiful island province.

While welcoming this move, I must ask some questions. One concerns the number of Prince Edward Island people who will find new job opportunities as a result of this move. Ours is a high unemployment area. Statistics month after month and year after year show Prince Edward Island as being at or near the top in this unwelcome area. It is not a very good league in which to attain a leading status.

While agreeing with the principle of decentralization as I do, and while welcoming this particular aspect of it as I do, it is still incumbent upon me to ask some specific questions.

I take it from the minister's press release in Charlottetown that nothing will happen, there will be no transfers of personnel nor will there be any new job offerings before four years have elapsed. This is now the estimated time for completion of the new federal building in Charlottetown. We all know that not all buildings are completed on schedule.

If nothing is to happen for four years, one again wonders about the great urge to make the announcement. I did not have to be a major or a minor prophet to forecast, as I did last week, that the announcement was to be made before November 8. The Minister went to Charlottetown on October 28, 1976, to announce a move that will begin, not end, in 1980.

Speaking of the art of prophecy, the air over Parliament Hill was filled with rumors that the announcement would not be made until after the Ottawa-Carleton by-election, but would be announced before the November 8 provincial by-election contests. It was therefore not too hard to make a fairly accurate prediction, and this I was glad to do to help out my

[Mr. Macquarrie.]

hon. friend, the Minister of Veterans Affairs, by getting him a little extra advance publicity.

If members of the staff of DVA feel that they were not fully consulted, these important political dates will suffice as substantial explanation. Never has there been such a long period of time between the publication of the bans and the actual wedding ceremony. Even the most confident marriage partners might exhibit a little anxiety over such a protracted waiting period. I would like to know what is being done during the four years between the sounding of the bugle and the beginning of the advance.

We are told there will be new jobs for island people. What provisions are to be made for training? It is unlikely that new personnel would assume their offices immediately upon the opening of the building in 1980 or perhaps later. Therefore I would like to know something about what will take place in the four intervening years.

Mr. Hugh Poulin (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member commenced by saying that he hopes the people of the island which he represents will exercise their good sense and good judgment in the by-elections on November 8. My understanding is that the Minister of Industry, Trade and Commerce (Mr. Chrétien), who is responsible for decentralization, did not have this in mind when the announcement was made on his behalf in Charlottetown last week by the Minister of Veterans Affairs (Mr. MacDonald). If I may express a personal view, as the hon. member did a moment ago, I really do not think the premier of that province, Alex Campbell, the good Liberal he is, really needs much help other than that which he is already getting in the province.

As the hon. member knows, the program of decentralization has been strongly supported, and indeed advocated by the leader of his party and by earlier leaders of his party. The hon. member says he supports that principle too.

How are the people of this good city going to be trained for these jobs over the next few years? I submit, if the hon. members does not know, that they have the capability of learning this most important work and doing it for the people of Canada from Charlottetown. It is very important that those who will be moving from the Ottawa area to Charlottetown have sufficient time to make arrangements to go to what the hon. member calls a most glorious part of Canada. Others who wish to be relocated here may also have the opportunity to do so.

May I say that the bulk of those to be transferred are generally in the clerical classifications. The number involved in this and other transfers has been calculated at about 5,500 permanent employees and 6,100 temporary employees in the total decentralization program, according to the information I have.

The Department of National Revenue has transferred some branches—to Surrey, British Columbia, a Conservative riding; to Winnipeg, a Liberal and New Democratic Party riding; to Shawinigan South, a Liberal riding; to St. John's, Newfound-

land, a Conservative riding; to Jonquière, a Liberal riding; and the superannuation division to Moncton, and the cheque redemption centre to Matane, also a Liberal riding. As I go over this list I do not think politics is involved, but rather it is an attempt to provide the people of Canada with the opportunity to be served.

INDUSTRY—TOHO LEAD AND ZINC REFINERY—POSSIBILITY OF CLOSURE AND RESULTANT LOSS OF EXPORT TRADE—GOVERNMENT ACTION

Mr. Doug Neil (Moose Jaw): Mr. Speaker, last Friday I put a question to the Prime Minister (Mr. Trudeau) with respect to the report that the Toho Lead and Zinc Refinery in Japan was considering the possibility of closing down as a result of the strike at the Cyprus-Anvil Mine in the Yukon or, alternatively, was looking to Australia and the United States for supplies. I asked the Prime Minister if Canada was likely to lose this export trade, and his answer was a flat no. I followed this by asking if he would intervene in order that a more realistic settlement might be arrived at so that the miners could go back to work. The Prime Minister responded as reported at page 579 of *Hansard*:

> I find it a little extraordinary that the hon. member should be suggesting to me that the ruling of the AIB and the Administrator should not be upheld

Earlier in the week I presented a motion under Standing Order 43 requesting that the Minister for Indian Affairs and Northern Development (Mr. Allmand) take immediate steps toward consultation with the Minister of Finance (Mr. Macdonald) and representatives of the Yukon legislative assembly to resolve the problem of the strike. This was given a resounding "no" by members on the other side of the House, and by members of the New Democratic Party to my left.

The Cyprus-Anvil Mine is the largest mine in the Yukon and when it is in full operation it mills some 10,000 pounds of lead zinc ore per day. The strike has carried on for some three months and at least 100 of the 410 employees have resigned or left. This means that not only 100 employees but also their wives and families are leaving with them.

Early this evening I spoke to a representative of the White Pass and Yukon Railway, the largest transportation company in the Yukon. I was advised that some 250 of their employees have been laid off. These employees are in Whitehorse, Skagway, and Vancouver. Of these 250, there are some 100 truck drivers, 70 maintenance personnel, and the balance are railway employees. In addition I understand that the shipping schedule out of the Port of Vancouver that was to carry this ore has been cut by approximately 50 per cent.

If you total the 410 employees out of work at the Cyprus-Anvil Mine and add the 250 employees of the White Pass and Yukon Railway that makes over 600 employees not working because of the strike. The total work force of the Yukon is approximately 10,000 people, so at the moment between 6 per cent and 7 per cent of that work force is unemployed because of one strike.

The Assistant Commissioner of the Territories is quoted as saying that because of the strike and its effect on the trucking industry the territorial government of the Yukon has lost over half a million dollars in fuel taxes. The Northern Canada Power Corporation, the Crown corporation which produces power in the Yukon and is the largest customer of the Cyprus-Anvil Mine is losing some $200,000 a month as a result of the shutdown. This will have a tremendous effect on the rates of that company which recently during the course of the summer raised some of its commercial rates by 80 per cent.

• (2220)

Talks are continuing between the company and the union; both are anxious to resolve the problem and get back to work. Frankly I was appalled by the answers and attitude of the Prime Minister who does not seem to care about the possible loss of our exports of lead and zinc to Japan. I am particularly appalled at his callous attitude to the critical economic situation in the Yukon.

I understand that the Minister of Indian Affairs and Northern Development will be in the Yukon tomorrow for the opening of the Yukon legislative assembly. While I am not suggesting that he should interfere with the powers of the Yukon assembly, I hope, while he is there, that he will apprise himself of the economic situation and seek advice as to how this strike may be settled. We are well aware how the minister conducted himself in his previous portfolio, particularly with respect to the penitentiary question. If the minister hopes to be successful in his new portfolio it will be necessary for him to impress on his cabinet colleagues, particularly the Prime Minister, the critical nature of the problems in the Yukon and the need for an immediate settlement to resolve the situation.

Mr. George Baker (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the hon. member suggested that the Prime Minister (Mr. Trudeau) should intervene in the industrial dispute at Cyprus-Anvil Mine—

Mr. Nielsen: He did not.

Mr. Baker (Gander-Twillingate): —with the aim of getting that mine into production again.

Mr. Nielsen: That is a new version of the twist.

Mr. Baker (Gander-Twillingate): The second part of the hon. gentleman's question to the Prime Minister suggested exactly that, that the Prime Minister intervene. He said, as reported at page 579 of Hansard:

> . . . would the Prime Minister intervene in order that a more realistic settlement might be arrived at . . .

Therefore the hon. gentleman said what I suggested.

The implication is that if the Prime Minister were to intervene, to permit these workers to obtain more than the law allows, the workers would return to production. Given the strike record of that mine, where only the latest strike was related to the anti-inflation program, that is a questionable assumption.

Mr. Baker (Gander-Twillingate): Is the hon. member asking that special treatment be accorded to these workers? If so, what would be the reaction of thousands of Canadian workers whose negotiated wage levels have been rolled back by the AIB and who accepted those rollbacks, albeit with no enthusiasm, and continued working? Intervention in this case would clearly be unfair to them. The anti-inflation guidelines on the basis of which the Administrator's order was drawn up apply uniformly to all cases referred to his office. Bear in mind that, in this instance, it was the union leadership who requested that this referral be made.

This is the point, Mr. Speaker—if I may say so without going into figures and facts behind the Anti-Inflation Board and the duties of the Administrator: The AIB does not have to follow the letter of the guidelines. It has been given certain discretionary power to take other factors into consideration. The AIB therefore was able to award the workers of Cyprus-Anvil more than a strict application of the guidelines would permit.

Mr. Nielsen: Eight per cent.

Mr. Baker (Gander-Twillingate): But according to the act, the Administrator must follow the letter of the guidelines. I repeat that the case was referred to the Administrator by the union leadership. It is open to either party in the case to refer the matter to the Anti-Inflation Appeal Tribunal, where the Administrator would be required to justify in a legal hearing the rationale for his order.

Mr. Nielsen: Just compare this case with the one at Thompson last week.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.26 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 2, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

FOREIGN INVESTMENT

SUGGESTION PRIME MINISTER CLARIFY CONFLICTING STATEMENTS ON JAPANESE INVESTMENT IN TAR SANDS—MOTION UNDER S.O. 43

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I rise under the provisions of Standing Order 43 to move a motion of urgent and pressing necessity. In view of the fact that in response to a question I put to him on October 28 as recorded in *Hansard* at page 540, the Prime Minister told this House that during his visit to Japan he had conducted no negotiations with the Japanese concerning possible Japanese investment in the Athabasca tar sands; and in view of the fact that the very next day in response to another question as recorded in *Hansard* at page 549, the Prime Minister told the House that he had tried to interest the Japanese in the "continuing development of the tar sands" I move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the right hon. gentleman explain to the satisfaction of this House, on motions, the discrepancy between his two remarks.

Mr. Speaker: Order, please. Such a motion, pursuant to Standing Order 43, can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC WORKS

ALLEGATION MINISTER MISLED HOUSE CONCERNING AGREEMENT ON LES TERRASSES DE LA CHAUDIÈRE—MOTION UNDER S.O. 43

Mr. Ron Huntington (Capilano): Mr. Speaker, I rise to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. In view of the statement of the former minister of public works in the House on July 13, 1976, that no agreement had been entered into with Campeau Corporation on the Les Terrasses de la Chaudière project, and whereas the Campeau Corporation had under date of June 28, 1976 an information circular outlining in detail the arrangements made with the government based on an agreement dated November 18, 1975, which was signed on behalf of the Deputy Minister of Public Works, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House instruct the Minister of Public Works to make a statement at the earliest opportunity on motions that will clarify this matter and remove any suspicion that the former minister misled this House intentionally or otherwise.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

PROPOSED REFERENCE OF MATTERS RELATING TO MEMBER FOR CALGARY SOUTH TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to ask leave of the House to present a motion under Standing Order 43 which relates to the matter which was under discussion for some time yesterday as a result of a question of privilege raised by the hon. member for Calgary South (Mr. Bawden). I have tried to draft a motion that is specific in its terms of reference but which does not pass judgment: in other words, it leaves the matter to the appropriate committee I have shown copies of my proposed motion to a representative of each of the other parties and also to Your Honour. I, therefore, ask leave to move seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the sale in 1975 by Emden Limited to the Royal Canadian Mounted Police of an aircraft and certain parts and the sale in 1973 to the Ministry of Transport by Peter Bawden Drilling Services Limited of an aircraft, including the involvement of the hon. member for Calgary South in these transactions, be referred to the Standing Committee on Privileges and Elections for consideration of the said transactions in relation to the conflict of interest provisions of the Senate and House of Commons Act, that the said committee also consider reports of discussions on these transactions purported to have taken place between the hon. member and Mr. Speaker, and that the said committee report its deliberations and conclusions to the House not later than December 10, 1976.

● (1410)

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please. There is not unanimous consent.

BBC News

FINANCE

PROPOSED INQUIRY INTO FINANCING OF LES TERRASSES DE LA CHAUDIÈRE PROJECT—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to deal with a matter of urgent and pressing necessity. As it appears that certain Canadian financial institutions will be advancing $50 million to Campeau Corporation on December 1, as set out in a confidential memorandum dated June 28, 1976, with respect to Les Terrasses de la Chaudière property to be rented to the Government of Canada; as it has been revealed that there is considerable question as to the circumstances surrounding this transaction, including the need for the property itself; and in view of certain financing techniques which it appears will cost the Government of Canada tens of millions of dollars, I move, seconded by the hon. member for Elgin (Mr. Wise):

That this House direct the Minister of Finance to immediately inquire into this project and the financing thereof with a view to determining if the project and its financing is necessary in this period of restraint, and to report back to this House upon his findings within the week.

Mr. Speaker: Order, please. Pursuant to Standing Order 43 such motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN BROADCASTING CORPORATION

REQUEST THAT CORPORATION CONTINUE TO BROADCAST BBC NEWS—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a matter of urgent and pressing necessity. Effective yesterday, without prior notification, the CBC ceased to carry the BBC news direct from London, after over 30 years of daily presentation. I do not wish to quarrel with the reasoning that the Canadian network is adequately staffed to provide extensive foreign coverage without having to depend on outsiders; but the BBC presents the world news with a non-Canadian slant, which is an advantage to all who take their news seriously.

Some hon. Members: Hear, hear!

Mr. Clarke: I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Secretary of State be asked to approach CBC officials, with a view to restoring the BBC news to the daily schedule of the CBC.

Mr. Speaker: Order, please. Such motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

INDUSTRY

EFFECT ON DRUG INDUSTRY OF CERTAIN FINANCIAL MEASURES—MOTION UNDER S.O. 43

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Montreal-Bourassa (Mr. Trudel):

That the government recognize the outflow of investment capital from Canada and that the adoption of compulsory licenses coupled with unrealistically low royalty awards has had a depressing effect on industry without providing related benefits to the economy; and that it has had the effect on the drug industry of increasing imports, reducing Canadian production, reducing the growth of pharmaceutical research and removing the incentive to manufacture in Canada.

Mr. Speaker: Order, please. Such motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE PROJECT—REQUEST FOR REPORT—REASON FOR AGREEING TO ADDITIONAL PAYMENT ON OPTION TO PURCHASE

Mr. Ron Huntington (Capilano): Mr. Speaker, I have a question for the Minister of Public Works. In his absence I shall direct it to the acting minister. As the minister knows, I have been exploring the question of Les Terrasses de la Chaudière deal made by the government with the Campeau Corporation for some time—by way of order paper questions, Standing Order 43, oral questions in the House and in private discussions with the minister. The answers to these efforts have caused me increasing concern. Can the minister now report to the House, after having spoken to his departmental officials and called for a report regarding the Les Terrasses deal, if the project is really necessary and if it is the most economical and satisfactory way of providing office facilities for federal government needs in the national capital region?

Hon. Marcel Lessard (Acting Minister of Public Works): Mr. Speaker, answering on behalf of my colleague who is not in the House today, I should like to say that I am well aware, as the House is also aware, of the interest of the hon. member in the question. The minister is also aware and is taking the

necessary steps to provide answers to the questions put by the hon. member.

Mr. Huntington: Mr. Speaker, we have been waiting many weeks now for the report that the minister promised the House. Can the minister advise why the government agreed to the additional $54 million option to purchase Les Terrasses de la Chaudière, given the fact that the $16.7 million annual rent it will be paying over 35 years will amortize the complete project including the shopping plaza, the hotel and the parking lot?

Mr. Lessard: Mr. Speaker, I suspect that my colleague is also aware of what the hon. member is saying. In any event, I will ensure that he is aware of the point the hon. member is making. He probably will be in the House and will be in a position to answer the full question of the hon. member.

LES TERRASSES DE LA CHAUDIÈRE PROJECT—POSSIBILITY OF CANCELLING CONTRACT

Mr. Ron Huntington (Capilano): The same minister has expressed his concern in the House that the agreement entered into with the Campeau Corporation is "a confirmed and binding contract". Given the fact that the agreement is unsatisfactory for the people of Canada, can the minister advise if he is considering a method to cancel the contract, thereby saving the Canadian taxpayers hundreds of millions of dollars, even if it has to pay what appears to be a standard Liberal penalty similar to the $16 million Orion penalty?

Some hon. Members: Hear, hear!

Hon. Marcel Lessard (Acting Minister of Public Works): Mr. Speaker, I will make sure my colleague is aware of the question raised by the hon. gentleman.

LES TERRASSES DE LA CHAUDIÈRE PROJECT—SUGGESTION DEVELOPER PAY IN ADVANCE FOR LEASE OF PART OF COMPLEX

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I also have some questions for the acting Minister of Public Works. Is he aware that the cost of the Les Terrasses de la Chaudière project will be underwritten from the revenues of the lease from the government, leaving the income from the rest of this vast project as gravy for the developer, and further that if the government does elect to exercise the option to purchase the development after 35 years, the developer, in addition to the $54 million that it receives at that time, will also have the right to lease the parking lot, the shopping plaza and the hotel areas of the complex for $1 each per year? Perhaps the minister ought, as a symbolic gesture, to insist that the $75 payable for the 25 year period be paid in advance.

Some hon. Members: Hear, hear!

Oral Questions

THE CANADIAN ECONOMY

REPORT OF UNIVERSITY OF TORONTO INSTITUTE ON UNEMPLOYMENT—GOVERNMENT POSITION ON RECOMMENDATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Given the fact that Canada is losing about $18 million in the production of goods and services every day as the result of current employment levels, can the minister tell us if he has received the as yet unpublished forecast by the University of Toronto Institute for Public Policy that unemployment will rise even higher in 1977 reaching 8 per cent, and if so, does he intend to act on their recommendation that the most effective immediate step to deal with that unemployment is to bring forward some tax cuts?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, having checked into some of the statistics quoted before by the leader of the New Democratic Party, I will want to take a second look. I notice that he always takes the highest possible statistics, never the lowest, when talking about unemployment. I am not satisfied that the tax cuts suggested by the hon. member would be the appropriate approach in view of the fact he is not talking in amounts. He is not saying to what extent we would have to increase the deficit or to what extent we would have to go to the market to borrow which would push up interest rates and hurt the very people he proposes to help.

Mr. Broadbent: The minister may not think my questions are improving with time. I can assure him that his answers are getting worse.

Some hon. Members: Hear, hear!

Mr. Broadbent: I did a politeness to the minister. I could have quoted published forecasts that reach as high as 8.1 and 8.5 per cent. I picked a low one for the minister today. I now want to shift to the Prime Minister. Given the fact that unemployment in Canada has increased by more than 9,000 for every month since the July 1974 election for a total increase during that period of time of more than a quarter of a million people unemployed, and considering the fact that Professor Wilson of the Institute for Public Policy was recently a personal economic adviser to the Prime Minister, will the Prime Minister tell the House if, unlike one of his ministers and given the serious level of unemployment, the government will consider bringing forward a tax cut and do so soon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the suggestion of the hon. member will be taken into account along with many others when we prepare the budget.

Mr. Broadbent: The Prime Minister clearly takes a different attitude from his minister. He said he will consider that in the preparation of the budget. In the meantime, nothing of substance is going to be done in terms of the government's announcement in the throne speech and the appropriate minister's speech contribution during that debate, until April 1977.

I should like to ask the Prime Minister whether he can assure the House that something will be done to deal with the serious situation likely to arise in the coming winter, one which, it is anticipated, will see the highest rate of unemployment since the great depression of the 'thirties.

● (1420)

Mr. Trudeau: Any announcement to be made will be made in the House in the normal course of events.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR AMENDMENT OF REGULATION CONCERNING WAITING PERIOD

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Could the minister tell this House whether he agrees with his predecessor who proposed to amend the four-week rule in the Unemployment Insurance Act which demonstrated, to his predecessor, that this experience did in fact discourage the recipients from going back to work.

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): I am not sure I heard the translation correctly, but if the hon. member was referring to the move from eight to 12 weeks, there has been no change in that intention.

[*Translation*]

Mr. Caouette (Villeneuve): Mr. Speaker, I should like to repeat my question because it has been misinterpreted.

Does the minister still agree with his predecessor who proposed to take the four-week rule out of the Unemployment Insurance Act and does he want to have this act amended? At the present time, a recipient who finds employment during the extension period of four weeks or more automatically loses all his rights if a company goes bankrupt and if he is forced to turn back to unemployment insurance.

[*English*]

Mr. Cullen: There will be some changes which will make provision for the problem the hon. member is suggesting may occur.

* * *

FINANCE

FINANCING OF LES TERRASSES DE LA CHAUDIÈRE PROJECT—MINISTER'S POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance and it has to do with the Campeau Corporation's scheme to construct and lease property known as Les Terrasses de la Chaudière to the government. Would the minister tell us whether he is familiar with a pending $148,500,000 finance arrangement for that corporation and, if so, would he inform the House whether he is aware that these funds are being raised by Campeau for a period of 15 years against Canada's covenant at an effective interest rate of 11¼ per cent per annum, which is to be paid indirectly by Canadian taxpayers and which is approximately 1⅓ per cent above the going interest rate for comparable Canadian financing, representing a net additional cost to the treasury of almost $2 million a year?

Hon. Donald S. Macdonald (Minister of Finance): I have not been directly involved in this transaction, one which is primarily the responsibility of my colleague.

Mr. Stevens: As certain major financial institutions in Canada, supervised under the minister's direction, have declined to participate in this Campeau financing arrangement and have expressed apprehension in respect of the transaction, would the hon. gentleman state whether he has been contacted by one or more officials of these institutions, including some whose head offices are in his riding? Have they conveyed their anxiety to him and, if so, would he indicate the nature of their objections and of his reply?

Mr. Macdonald (Rosedale): I, personally, have not been so contacted.

Mr. Stevens: A final supplementary. Would the minister assure the House that he will object to any similar deals being signed in the future by the Department of Public Works or others in the government since it appears such deals are in blatant circumvention of restraint guidelines, resulting in a huge and unnecessary cost to the people of Canada.

Mr. Macdonald (Rosedale): I do not know how well founded the hon. gentleman's allegations are—

Mr. Stevens: Very well founded.

Mr. Macdonald (Rosedale): —but I would say to him that under our system of government Treasury Board has the responsibility for scrutinizing all government expenditures of this kind. An expenditure of this kind would in due course have to receive Treasury Board approval.

* * *

STATISTICS CANADA

REQUEST FOR CLARIFICATION OF CONFLICT OF INTEREST SITUATION OF CERTAIN EMPLOYEES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce and it is in respect of the matters I raised yesterday relating to StatCan. Having regard to the *Canada Gazette* publication respecting public servants conflict of interest guidelines, I wonder whether the minister would indicate if the chief statistician called for all senior executives to file statements on conflict of interest in June, 1974 and, if so, whether

or not the assistant chief statistician and his senior advisor made statements and got clarification of their position with respect to any conflict that might arise by virtue of their working outside of their employment?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, it is impossible for me today to answer the detailed question of the hon. member. I hope to be able to do so tomorrow. By the way, I would like to tell to the hon. member for Central Nova that tomorrow morning, when the orders of the day will be called, I will table the answers to the 23 or 24 questions he asked about Statistics Canada.

[*English*]

TYPE OF PRIVATE BUSINESS CONDUCTED BY CERTAIN EMPLOYEES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): A supplementary question, Mr. Speaker. This matter has, of course, been before the minister and I wanted to ask him today whether or not he is in a position to let us know if there is in his possession or in the possession of the department any advertising brochure or prospectus put out by this firm, and whether the assistant chief statistician and his senior adviser were in partnership or carried on the business of giving professional services to private firms.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I would like the hon. member to clarify. There is the assistant chief statistician and then there is the Jeffery Associates. I should like to know to which he is referring.

Mr. Hnatyshyn: A final supplementary, Mr. Speaker. I am referring specifically to the assistant chief statistician, Mr. Fellegi, and to Mr. Sunter, a senior research adviser. These are the two people in question. This question was raised yesterday with the minister at some length.

Mr. Chrétien: Mr. Speaker, I would ask the hon. member to put all these questions into writing. The hon. member for Central Nova did this last week. Then, I will be in a position to reply. This is all very technical, involving dates and so on, so I think it would be proper to give a written reply.

* * *

NATIONAL CAPITAL COMMISSION

REQUEST FOR TABLING OF CORRESPONDENCE WITH MR. GALLANT CONCERNING ALLEGED OFFER OF STATISTICS CANADA EMPLOYEES TO SELL INFORMATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, following along this matter I should like to ask a question of the Minister of State for Urban Affairs. Yesterday, as reported at page 617 of *Hansard*, I put this question to the minister:

—I wonder if the minister who since the news reports came out must have taken the time to examine Edgar Gallant can report to the House exactly what Mr. Gallant said—assuming that such an investigation took place. Also, is the minister in the position today—and if he is not in the position today will he put himself in the position—to table the correspondence which passed between the then chairman of the National Capital Commission, Mr. Gallant, and Mr. Gordon Robertson.

To that inquiry the minister said he would undertake to have the information available to answer "tomorrow", as he said then. It is now Tuesday. Is the minister in a position to answer this question and would he do so now?

Hon. Barney Danson (Minister of State for Urban Affairs): Yes, Mr. Speaker, seeing that it is Tuesday I am now in a position to do so. I find that the correspondence to which the hon. member referred took place in 1944, on February 22.

Some hon. Members: Oh, oh!

Mr. Fraser: So we are referring to Mackenzie King, are we?

Mr. Danson: Of course, I mean 1974, before I assumed this portfolio. Nevertheless, I find that Mr. Gallant acted in an exemplary manner. When he found a situation which he thought was not totally correct, he did the quite appropriate thing, as the gifted public servant that he is, and made contact with Mr. Gordon Robertson, secretary to the cabinet. Things were taken on from there, as was appropriate to Mr. Robertson.

• (1430)

Mr. Baker (Grenville-Carleton): Mr. Speaker, I want to thank the minister for his answer as far as it went. Was the contact that he was talking about a letter in accordance with the reports? If so, would the minister table that letter today? If it was not a letter, would the minister make a statement in the House now in answer to the questions which he undertook to answer, namely, what was the purport of the conversation between Mr. Gallant and Mr. Robertson, what circumstances was the distinguished public servant, Mr. Edward Gallant, complaining about when he either spoke or wrote to Mr. Robertson, and what is the detail with respect thereto?

Mr. Danson: Mr. Speaker, Mr. Gallant was acting as he should, as I indicated. It was a written report, a report which was confidential between him and Mr. Robertson. It is the sort of report that I think even the hon. member opposite, who might have some concern for allegations made with relation to specific public servants, would not want made public. I think that is appropriate. If further action is taken and there is need for disclosure at that time, disclosure should be made. On this particular document, the situation might bear investigation. I would prefer not to table that at this time because it mentions individuals by name. What happened in the subsequent investigation, I am unable to report.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I think the minister must have read page 617 of *Hansard* and the question I put to him as recorded there. The minister knows that it was prefaced by the remark that public servants generally must have their reputations protected, and I think he recognizes that concern of mine. I suggest that part of that protection is the

complete and full disclosure, and I would like the minister to reconsider his answer to me just now, particularly in view or his specific and unequivocal undertaking that he would have the information available to answer questions in the House tomorrow, that being today.

Mr. Danson: Mr. Speaker, I am answering to the extent that I am able and prepared to do so. As the hon. member knows, the investigation was continued. There are specific questions on the order paper in this regard, and I believe my colleague, the Minister of Industry, Trade and Commerce, is dealing with those.

* * *

[*Translation*]

LABOUR RELATIONS

INQUIRY IF MINISTER HAS RECEIVED COPY OF TREMBLAY REPORT

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Labour.

The longshoremen issue has always been of deep concern to me because 250 of these people live in my riding. On June 26, 1975, the minister appointed Mr. Roland Tremblay, Q.C. as mediator in the interpretation and application of some provisions of the Montreal longshoremen's collective agreement. Since then, over a year has passed. I wonder if the minister now has a copy of the Tremblay report?

[*English*]

Hon. John C. Munro (Minister of Labour): Yes, Mr. Speaker, I do have such a copy.

[*Translation*]

Mr. Lavoie: Mr. Speaker, I wish to ask a supplementary question.

Since the minister read the report, could he tell the House what are the main recommendations?

[*English*]

Mr. Munro (Hamilton East): They are very detailed indeed. Rather than go into them all—and I think it would only mislead hon. members to go into them in such detail—I would be more than happy to send a copy to the hon. member, and then he can ask further questions if he so wishes.

* * *

INDUSTRY

CANADAIR—REQUEST FOR TABLING OF DOCUMENTS AUTHORIZING LOAN GUARANTEE AND SPECIFYING ORDERS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. As Canadair is now owned by the taxpayers of Canada and as the board of directors has a majority of senior civil servants presumably representing the taxpayers' interests, will the minister table the document whereby the government authorizes the loan guarantee so that the taxpayers of this country can see what kind of deal the government is getting them into?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, last Friday in Montreal I held a press conference on this matter during which I gave all the information. We guarantee a loan of $50 million, the government of Quebec a loan of $20 million and the balance of the program will be financed through two Canadian banks. Until now the Learstar program is extremely interesting. Fifty-three orders have already been obtained by Canadair's sale committee. I think we must all be pleased that Canadair landed such an interesting program.

[*English*]

Mr. McKenzie: Will the minister table the documents which show that Canada has firm orders for 53 Learstars and has extracted deposits from customers for this number of aircraft, who are these customers, and at what price has Canada promised to deliver these aircraft?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I cannot table those documents because I think it is extremely important that Canadair do business as any other corporation. In my opinion, the government has the duty to help both these companies, Canadair and de Havilland, create as many jobs as possible in Canada and I was very happy to be associated with such a beneficial undertaking as that launched by Canadair under this program.

* * *

[*English*]

ANTI-INFLATION BOARD

LEGALITY OF PLACING BRITISH COLUMBIA TEACHERS RETROACTIVELY UNDER BOARD—REQUEST FOR REPORT

Mr. Howard Johnston (Okanagan-Kootenay): Mr. Speaker, my question is directed to the Minister of Finance. Could the minister report on the situation in British Columbia where the legality of the retroactive placing of last year's arbitrated and legally binding teachers' salary agreements under the authority of the Anti-Inflation Board is being questioned, now that the board has completed the process of rolling back all these settlements?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I cannot report today but I would be glad to seek a more detailed report and give it to the hon. member.

HEALTH

SWINE INFLUENZA—TIME LAPSE FROM VACCINATION TO IMMUNITY—AVAILABILITY OF CERTAIN VACCINES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, one of the advantages of sitting in the wings is that you have to participate in Participaction that the minister advocates. My question to the Minister of National Health and Welfare has to do with swine 'flu. In view of the many conflicting reports regarding the time lapse from vaccination to peak immunity and the length of the immunity conferred, and taking due account of variations in people, is the minister able to state what the time lapse and the period of immunity are, and if there are other vaccines available combining the Hong Kong, Port Chalmers and Scotland varieties that have been used on a yearly basis?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, in answer to the first part of the question may I say how much I regret certain statements on this very important question made by some CBC reporters which seem to have been made without checking with us. The shelf life of the influenza vaccine from laboratory tests has been estimated to be about 12 months. Based on experience in the United States with type A influenza strains, it is believed that immunity after vaccination could last up to three years in a significant portion of the population, provided there were no changes in the antigenic makeup of the virus.

With regard to various other strains of vaccine such as the Hong Kong 'flu vaccine, a Canadian manufacturer is engaged in the production of bivalent A/Victoria and B/Hong Kong vaccine. Deliveries have not yet been received. It is hoped that the vaccine will be available for the coming 'flu season. In so far as A/Port Chalmers and A/Scotland influenza are concerned, no vaccine is available in Canada at present for either virus.

An. hon. Member: What about the Lalonde 'flu?

Mr. Rynard: Mr. Speaker, in view of the fact that three years have passed now and of our knowledge of the fact that swine 'flu or any of the varieties of 'flu have a habit of repeating themselves in two or three years, is anything being done now to study this possibility and arrange for the manufacture of the vaccine if necessary?

Mr. Lalonde: I missed the latter part of the hon. member's question. What possibility did he refer to?

Mr. Rynard: The possibility of having preparations made in case the swine 'flu repeats itself as it did in 1917, 1918 and 1919.

Mr. Lalonde: I will certainly take the suggestion of the hon. member under consideration and discuss it with my officials.

SWINE INFLUENZA—DECISION OF SOME PROVINCES NOT TO VACCINATE—GOVERNMENT ACTION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question also relates to the swine 'flu program. In view of the late delivery of the vaccine to the provinces and perhaps a failure to ensure supply in keeping with the demand, some of the provinces have decided not to participate in the monovalent vaccination program. Can the minister say whether he has any plans which will counteract the action by the provinces not to vaccinate so that the Canadian people indeed will have the kind of protection he wants them to have.

● (1440)

[*Translation*]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, first I should like to reassure the hon. member that the decision by some provinces not to vaccinate everybody has nothing to do with the delays which might have occurred to vaccine deliveries. Seemingly, these decisions were made for other motives. As to the availability of the vaccine for all Canadians, I tabled in the House last week a report by a committee of distinguished scientists in this field, the best immunologists in Canada. This paper recommends general vaccination, and I sent the report to all my colleagues encouraging them to follow the recommendations by that committee of experts, as the federal government will do. Unfortunately, I do not think I can do better; for I cannot impose a solution to the provinces.

[*English*]

Mr. Yewchuk: Mr. Speaker, I wonder whether the minister can further elaborate. Can he confirm reports that the imports of Bivalent vaccine will be in approximately 40 per cent shortfall supply.

[*Translation*]

Mr. Lalonde: No, Mr. Speaker, such is not my information. The information I got is that we will have available for all Canadian citizens enough Bivalent vaccine to meet the demand. But if my hon. colleague has any specific information in that regard, I would be interested in looking further into that question.

* * *

[*English*]

ENERGY

REASON FOR FAILURE TO SUBSIDIZE COST OF ELECTRICITY IN ATLANTIC REGION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Can the minister confirm to this House whether the total revenue of the oil export tax and the special 10-cent a gallon excise tax which the Minister of Finance indicated would be used for the eastern oil import subsidy is now running in the 12 months ending September, 1976 at a profit of close to $100 million. If so, can the minister indicate why

the Government of Canada refuses to provide special assistance to Atlantic Canada and particularly Nova Scotia which is facing oil generated electric power rate increases of up to 65 per cent?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am not in a position to confirm the point raised by the hon. member. I would point out to him that the government's budgeting is done on a fiscal year basis and that we may well be faced with a substantial increase on January 1 of this year if we are to believe what we read in the newspapers or what our embassies report from abroad in respect of the actions of the OPEC nations. So we have to look at the whole question of our balance in terms of a longer period than the period to which the hon. gentleman referred.

As to the second part of his question, I have pointed out on a number of occasions that as a result of the equalization arrangement entered into by the federal government and the province a substantial, by far the greatest, proportion of the increase in the cost of oil-fired generation which was made necessary by the oil price increase of the federal government will be taken care of by an automatic increase in equalization this year.

Mr. Hogan: Mr. Speaker, the minister talks nonsense when he talks about equalization grants being controlled by the federal government. Since the minister cannot confirm the confidential internal revenue figures I have received from sources within his department, will he report back to the House tomorrow providing us with his information and at the same time will he explain why the Government of Canada is profiting from funds intended to assist in the reduction of the high energy prices in Atlantic Canada? If he is taking a longer period than just this year and looking forward to prospective price increases which might come, will he guarantee that the surplus will be used to help Atlantic Canada and especially Nova Scotia?

Mr. Gillespie: Mr. Speaker, for the reasons I have already given I am not in a position to confirm that number. It is quite clearly a situation which has to be looked at over a longer period. I would ask the hon. member to look at the record and look at the figures. By the end of this year the federal government will have provided very close to $1 billion in support to Atlantic Canada and in that regard probably very close to the highest per capita assistance has been given to the citizens of his province.

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SEARCH AND RESCUE

EFFECT OF MOVING HELICOPTERS FROM TRENTON TO ATLANTIC AREA

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is an attempt to clarify an answer given yesterday by the Acting Minister of National Defence to my colleague from Hastings respecting air facilities for search and rescue missions as of 1976. As a member for a Lake Ontario constituency where we have had problems in the past regarding the adequacy of facilities for search and rescue operations in the Great Lakes basin, I should like to ask the minister whether the movement of helicopters to Newfoundland in any way would downgrade the facilities for search and rescue anywhere else, specifically in the Great Lakes Basin and the rest of the area.

Hon. Barney Danson (Acting Minister of National Defence): Actually, Mr. Speaker, I do not think they will be downgraded. They will be reorientated in this feasibility study. Indeed, I think it in some ways would upgrade them. The helicopters being moved from Trenton are being replaced by others from Petawawa which are in back-up position and can serve a much broader area as I see it, and also by the Chinook helicopters which are located here in Ottawa. So there is a reorientation. Indeed, this is the purpose of the feasibility study which is to see where they can operate from at the very best. Indeed, one helicopter at this moment cannot land in St. John's because of weather conditions there. If it were posted there and there was an emergency it might not take off from there. These are the things we are trying to work out at this time.

Mr. Lawrence: Mr. Speaker, the minister uses the word "upgrade". We have already drawn to his attention this afternoon a press release issued at five o'clock last evening after he gave his erroneous impression in this House yesterday afternoon. Perhaps I might quote one short paragraph from this press release. It states:

> Although the deployment of SAR Labrador helicopters will provide an improved posture in the Newfoundland area, the overall search and rescue capability for the maritimes and central Great Lakes areas will be degraded during this period.

How does he reconcile the fact that he claims there is an upgrading and the Department of National Defence claims there is going to be a degrading of the facilities in the rest of the country, especially in these two crucial areas right now.

Mr. Danson: Well, I think, Mr. Speaker, likely a public relations officer may be degraded.

* * *

FINANCE

ALLEGED REPORT OF TASK FORCE ON FOREIGN EXCHANGE CONTROL

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I should like to direct a question to the Minister of Finance. It is supplementary to a question that I asked the Acting Prime Minister last Wednesday. I apologize to the Minister of Finance for the delay in presenting the supplementary, but in light of certain measures on my part during the last two or three months I find that my recognition factor is still quite low. In response to a question about a report from a task force that was investigating European methods of foreign exchange

control the Acting Prime Minister said he had not received any such report. I should like to ask the Minister of Finance if he could tell the House when the task force will be reporting and also what preparations the government has made to impose controls which would stop the outflow of Canadian capital to tax havens and other jurisdictions.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, my advice is that there has been no such task force nor is there any now in existence. Since I have been in this office I have given no consideration whatsoever to foreign exchange control.

Mr. Speaker: The hon. member for St. John's West.

Some hon. Members: Hear, hear!

* * *

● (1450)

ENERGY

POSSIBILITY OF RE-ACTIVATION OF REFINERY AT COME-BY-CHANCE—GOVERNMENT POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I would like to ask the minister whether any group has approached the Canadian government to ask for assistance in connection with the re-activation of the oil refinery at Come-By-Chance, which has been closed since the end of 1975. What assistance, if any, is the Canadian government prepared to give by way of grant or loan for the purpose of re-activating that oil refinery?

In addition, could the minister tell the House whether he has received a report from Petro-Canada, which was supposed to be investigating the feasibility of its doing anything in connection with that oil refinery?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, may I take this opportunity to welcome the hon. member to the House—

Some hon. Members: Hear, hear!

Mr. Gillespie: —and to congratulate him on a very impressive win. I have enjoyed the opportunity in the past of discussing mutual interests in the energy field with the hon. member, and I look forward to doing so in the future.

As to the question of whether a group has approached us for assistance in the restoration of the refinery at Come-by-Chance, I have heard rumours, but quite frankly I myself have received no propositions or proposals. On the question of Petro-Canada, yes, Petro-Canada did have a survey, analysis and study completed for it with respect to the Come-by-Chance refinery. I cannot say more than that at this time.

Oral Questions

PETRO-CANADA

POSSIBILITY OF DISPOSING OF COMPANY TO PRIVATE ENTERPRISE

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. A former deputy minister of industry, trade and commerce questioned the political reasoning behind creating Petro-Canada, and he was reported to have said, and I quote: "It is a political mentality turned loose on the oil and gas business, with no rudder, no compass and no anchor; all wind and sail". Does the government have any intention of disposing of this national calamity?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not responsible for Petro-Canada. I will ask my colleague to give an answer, but I do not think he has any intention of disposing of the corporation.

Mr. Towers: Mr. Speaker, my supplementary question is to the Prime Minister. In view of the fact that the throne speech referred to the possibility of Crown corporations being returned to private industry, would Petro-Canada fall within that category?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will return to the throne speech, he will see that the words he uses are not there.

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AIR CANADA

LOWERING OF COMPANY'S SHARE OF TRANSCONTINENTAL TRAFFIC—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Transport. In view of the minister's statement and policy that transportation should be paid for by users, will the minister be lowering the 75 per cent mandatory share of transcontinental air passenger traffic which Air Canada now enjoys in preference to other air carriers, which should increase competition and make for more efficiency and better passenger service?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, first let me say that the hon. member inaccurately summarizes a much more complicated statement about the appropriate way to get proper transportation services in Canada.

An hon. Member: All your statements are complicated.

Mr. Lang: I see no connection whatever between that statement, in any case—or any part of it—and the following part of his statement.

Mr. Ritchie: Is the minister considering lowering this mandatory proportion of transcontinental air passenger service which Air Canada enjoys?

Mr. Lang: The whole relationship of Air Canada to particular services being offered is a matter being reviewed with a view to maintaining the most effective air service in Canada at the least cost to passengers.

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CANADIAN NATIONAL RAILWAYS

REASON FOR FAILURE TO BARGAIN WITH EMPLOYEES OF CHAPMAN TRANSPORT

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, my question is directed to the Minister of Transport and concerns the 200 workers of Chapman Transport in British Columbia. That company is a subsidiary of CNR. The workers who are on strike there are seeking only the same settlement awarded to other transport companies in B.C., which has been approved by the Anti-Inflation Board. Can the minister confirm whether the CNR is intending to close down Chapman Transport, and if not, can he tell us why the CNR is not bargaining in good faith?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I certainly cannot confirm that. I have only seen press reports on the matter. As far as negotiations are concerned, I would not want to comment, and any such question would have to be looked at from a labour point of view.

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PUBLIC SERVICE

POSSIBILITY OF STRIKE BY PRISON GUARDS—GOVERNMENT ACTION TO PROVIDE SECURITY

Mr. Erik Nielsen (Yukon): Mr Speaker, my question is to the President of the Treasury Board. It is with respect to questions I asked him last Friday which appear on page 580 of *Hansard*. I wonder if the minister has a reply to those questions now.

Hon. Robert K. Andras (President of the Treasury Board): Yes, Mr. Speaker. I promised an answer yesterday and tried to seek the floor, as the hon. member knows.

There have been a number of negotiations between the parties, and approximately two thirds of the articles of agreement have been signed off. The negotiations are still in progress. They are with regard to penitentiary personnel and the PSAC. There is tentatively a meeting scheduled for the week of November 8. As the hon. member knows, people in this service in the main are designated and therefore would not be able to participate in a work stoppage and be acting legally. However, that designation is still a matter of discussion with the PSAC and is somewhat in doubt. We have contingency plans ready, but I hope and feel that they will not need to be implemented, in view of the fact that we feel that the negotiations will be successful.

PENITENTIARIES

REQUEST FOR RELEASE TO COMMITTEE OF STUDIES OF CORRECTIONAL SYSTEM

Mr. Erik Nielsen (Yukon): Mr. Speaker, my supplementary is directed to the Solicitor General arising out of reports of a speech he made in Vancouver describing the correctional service in Canada as a total failure. He is also reported to have said that management and staff at all levels in the correctional system, as well as prisoners and some representatives from the private sector have spent the last year studying the system and that the results of such a study would be released. I wonder if the minister could make available the results of those studies today to the special subcommittee of the Standing Committee on Justice and Legal Affairs, which is looking into the penitentiary system, so that members of that subcommittee might have the benefit of the studies conducted to date in the work they have to have completed for parliament by the end of February.

Hon. Francis Fox (Solicitor General): Mr. Speaker, I am ready to make copies of my speech available to him and to other hon. members of the House so that they can understand fully the context of the quotation the hon. member took out of my speech.

As for the work of the task force on the role of federal corrections, we are presently assessing the studies which have been made, and we hope to make the document on the role of federal corrections public early in the new year.

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ADMINISTRATION OF JUSTICE

ALLEGED HARASSMENT OF DR. MORGENTALER—POSSIBILITY OF MINISTER INTERCEDING

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Justice, if someone would attract his attention. My question concerns the case of Dr. Henry Morgentaler in Montreal. This individual has now been acquitted on three separate occasions of charges laid against him in Montreal, and he has served ten months in jail even though acquitted of the particular offence. I am wondering if the Minister of Justice can advise the House whether he has interceded. I realize he does not have jurisdiction, but has he interceded with the minister of justice of Quebec with regard to what appears to the Canadian people to be harassment of this individual?

Hon. Ron Basford (Minister of Justice): No, Mr. Speaker, I have not. Whether people are prosecuted under the Criminal Code is a matter within the sole and exclusive jurisdiction, and responsibility, of provincial authorities, and any intervention by me would be contrary to the relationships and responsibilities which exist under the Criminal Code and would be improper, as would have been any intervention by the province of Quebec with regard to the exercise of my jurisdiction in the matter in ordering a new trial.

• (1500)

Mr. Leggatt: A supplementary question, Mr. Speaker. In view of the importance of this matter and the widespread concern there is in the country I wonder if the Minister of Justice could advise the House whether in his view the actions taken by the provincial Minister of Justice are correct in terms of his perspective of the proper and appropriate way to go about laying charges where they all come about in one day and they are now being laid separately one at a time against this individual? Is his objective—

Mr. Speaker: Order, please.

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX ACT

TABLING OF WAYS AND MEANS MOTION

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I should like to table notice of a ways and means motion with respect to the Income Tax Act.

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FISHERIES

TABLING OF NOTICE OF PROMULGATION TO EXTEND LIMITS TO 200 MILES

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, under the provisions of Standing Order 41(2), I wish to table copies of a notice published in the Canada *Gazette* on November 1, 1976, respecting an order in council that the government proposes to promulgate the extension of the fisheries limits of Canada to 200 miles, together with diagrams illustrating the proposed new fishing zones.

Some hon. Members: Hear, hear!

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EXCISE TAX ACT AND INCOME TAX ACT

DESIGNATION OF NOTICES OF WAYS AND MEANS

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, pursuant to Standing Order 60(2), I should like to designate orders of the day for consideration of notices of ways and means on the Excise Tax Act and the Income Tax Act for tomorrow.

Order Paper Questions

CONSUMER PRODUCT WARRANTIES ACT

MEASURE TO PROVIDE FOR STANDARDIZATION OF WARRANTIES

Mr. Dan McKenzie (Winnipeg South Centre) moved for leave to introduce Bill C-376, to amend the Combines Investigation Act to provide for the standardization of warranties and to define the minimum provisions thereof.

Some hon. Members: Explain.

Mr. McKenzie: This is a bill to amend the Combines Investigation Act to provide for the standardization of warranties and to define the minimum provisions thereof. All too often the consumer purchases an automobile, refrigerator, or any one of hundreds of products covered by warranty, only to have the product break down. When the consumer reads the warranty's fine print, he discovers that the document is so full of exceptions and qualifications that it is almost useless. This bill will correct these anomalies.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following questions will be answered today: 33, 77, 164, 342, 574 and 769.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

NATIONAL TERMINOLOGY BANK

Question No. 33—**Mr. Cossitt:**

With reference to the answer to Question No. 4,109 of the First Session of the 30th Parliament, referring in part to efforts to establish a National Terminology Bank by the Secretary of State in conjunction with the University of Montreal, what (a) is a description of this proposed facility and its purpose (b) is the estimated cost (c) are the reasons for its creation (d) are the number of public service personnel to be involved and their estimated annual salaries?

Hon. John Roberts (Secretary of State): (a) The terminology bank will involve the computerized collection of terminology in use or likely to be used by government services. Each term in the bank will be defined or used in context, and access to the terms will be provided by various parameters or combinations of parameters (e.g.: area of usage, source, reliability, geographic origin), in each language for which the term exists. The terminology will be multilingual to the extent that the government requires terms in non-official languages. The bank will be instrumental in centralizing available terminological information, particularly for the purposes of translation within government departments, and invaluable in meeting the requirements of language standardization in the Public Ser-

vice, especially that of providing work instruments in both languages. (b) According to estimates, the terminology bank will cost $953,500 in 1977-78 and $1,717,500 in 1978-79 (in 1975 constant dollars). (c) The Translation Bureau must be provided with the necessary means to verify terminological data and standardize vocabulary, in accordance with the mandate, conferred upon it by the Cabinet, to verify and standardize the terminology used in both official languages within the Public Service. A terminology bank is the most effective means of keeping up with rapid developments in technical and administrative language and preventing duplication of terminological research, the proliferation of terms and wasted research efforts. It will also be instrumental in meeting the increasing need for terminology when texts are drafted in both official languages, official documents translated, specialized and bilingual personnel trained, uniform work instruments created and statutes or regulations drafted. It will be used to meet the requirement of communication with the public, specialists, units working in French and international organizations involved in standardization and technical or scientific research. (d) According to estimates, 52 persons earning an average salary of $10,663 (in 1975 constant dollars) will be assigned to bank operations in 1977-78, and 77 persons earning an average salary of $11,396, in 1978-79.

CARSON ROAD LANGUAGE TRAINING CENTRE

Question No. 77—**Mr. Cossitt:**

1. On or about Wednesday, June 23, 1976, were Anglophone language students at the Carson Road Language Training Centre subjected to a lecture in the French language dealing with the subjects of reincarnation and hypnosis and, if so (a) how many language students were required to attend the lecture (b) what is the name and address of the person who gave the lecture (c) what was the fee paid to the lecturer (d) was it announced that one of his qualifications was that he had at one time "studied electronics" (e) what is the name and job designation of the highest ranking person authorizing the lecture (f) what are the reasons justifying such a performance and how is this consistent with the school's stated objective of teaching the French language and French culture to Anglophones?

2. Who owned the electronic equipment, including TV equipment etc., that was used to cover the lecture (a) who were the cameramen and any others on duty who operated such equipment (b) who paid their salaries and if they were paid by the government what was the amount involved?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1. Students at the Carson Road Language Training Centre were given the opportunity June 23, 1976, to attend a lecture in French, dealing with reincarnation and hypnosis. (a) About 150 students in the second level of language training attended the lecture voluntarily. Attendance was not compulsory. (b) The lecture was given by Mr. Jean Roussier, président de la Société de Métempsychologie du Québec. His address is: 1042, rue Écho, Ancienne-Lorette, G2E 1K2. (c) The fee was $300 inclusive of all expenses. (d) In response to questions by students concerning his previous activities, Mr. Roussier noted in part that he had studied electronics. (e) The lecture was authorized by Bertrand Desbiens, Director of Pedagogical Services, Language Bureau. (f) This lecture was a part of the activities which are organized to help students to improve their oral expression and auditive comprehension of the second language. The subjects of such conferences are chosen to encourage the greatest possible participation of the students. As such, the subjects must be of a general nature, and interesting to the majority of the students. A number of subjects are identified by the students, and the most popular of these are selected as themes for conferences. To augment discussion, the students are asked to prepare questions in advance of each conference with the help of their teachers.

2. The electronic equipment used to cover the conference is owned by the Staff Development Branch of the Public Service Commission. (a) The cameramen and others on duty are employed in the media services unit of the branch. (b) These employees being full time public servants, the amount involved is included in their salary.

PSC COMPETITIONS IN ATLANTIC CANADA

Question No. 164—**Mr. Forrestall:**

1. Has the government given any consideration to studying whether the Public Service Commission, by its own volition or by legislative restraint, operates competitions in Atlantic Canada which cannot be entered by members of the Canadian Armed Forces who, while posted elsewhere, formerly resided in Atlantic Canada and wish to return to employment in the Public Service in Atlantic Canada and, if not, for what reason?

2. What is the government's considered view of the effect such a policy might have on Atlantic Canada's efforts to prevent the permanent exodus of talented individuals?

Hon. John Roberts (Secretary of State): I am informed by the Public Service Commission as follows: 1. The answer to this question is negative because of the following: The Public Service Commission is restrained by legislation in determining who is eligible to compete in competitions. When selection is to be made from among persons employed in the Public Service, the candidates' eligibility for appointment, known as the area of competition, is determined by the positions in which they are employed. When selection is to be made from among applicants from outside the Public Service, eligibility for appointment is defined in terms of the area in which candidates must reside. The Public Service Commission has however, established a policy that recognizes the special circumstances confronting retiring members of the Canadian Armed Forces seeking employment in the Public Service. The policy provides, that, where the area of competition includes residency requirements, members of the Canadian Armed Forces may claim entitlement to compete on the basis either of the locality where they are stationed or where their immediate families reside. In its opinion, the Commission can offer no greater flexibility in its policies for the determination of area of competition without both exceeding the provisions of the Public Service Employment Act and being discriminatory in favour of the Canadian Armed Forces.

2. Having no data on the incidence of the return of members of the Armed Forces to Atlantic Canada upon leaving the Forces, the Commission can express no views in response to this question.

POST OFFICE DEPARTMENT

Question No. 342—**Mr. McCleave:**

1. Is posted mail sent to particular locations for sorting and, if so, what mail is sorted in Montreal from areas other than the Province of Quebec?

2. Has any mail, sent for sorting in Montreal, been redirected to Saint John, New Brunswick and, if so, in what quantities and for what reasons?

Hon. J.-J. Blais (Postmaster General): 1. Mail is first sorted at the office at which it is posted. The practice is to send mail matter directly from the office of origin to the office of address. Where, because of lack of volume for a particular office of address, this is not possible, mail is sent to an intermediate office for further sorting. The intermediate office most used by post offices in Canada for the province of Quebec is Montreal, and therefore mail originating all across Canada is sent to Montreal to be forwarded to its final destination in the province of Quebec. In addition to this, Montreal is one of the main terminating points for air mail from overseas destinations, and mail addressed to many points in Canada is sent to Montreal by foreign administrations for transmission to points in Canada.

2. No, except that mail originating in Quebec province addressed to smaller places in New Brunswick, which had been sent to Montreal by smaller post offices in the province of Quebec because there was not enough to make a direct despatch, may have been sent to Saint John for transmission to points in New Brunswick.

PROCESSING GOVERNMENT CHEQUES

Question No. 574—**Mr. Reynolds:**

Can all government cheques be processed through the automatic mailing machines in post offices?

Hon. J.-J. Blais (Postmaster General): All government cheques which bear a valid postal code can be processed through the equipment, provided the envelope and its enclosures meet Canada Postal Standards.

APPEARANCE OF MR. DAVE McINTOSH ON CBC NATIONAL TELEVISION NEWS

Question No. 769—**Mr. Cossitt:**

1. Did Mr. Dave McIntosh of the National Capital Commission appear on CBC National Television News on September 2, 1976 and refer to certain statements made by the Honourable Member for Leeds on the subject of the Prime Minister's summer residence at Harrington Lake with the words: "That's a lot of crap" and, if so, is the government aware that the CBC script for the National Television News of that date quotes Mr. McIntosh as using such words?

2. Is it the policy of the government to permit public servants to refer to statements made by elected representatives of the people as "crap" and (a) if so, on what date was this policy instituted and by whom (b) if not, what steps are being taken to see that public servants use proper language when making statements of any kind to members of the news media?

3. Who instructed or authorized Mr. McIntosh to give interviews to various news media on the date in question and what is their job designation?

Hon. Barney Danson (Minister of State for Urban Affairs): In so far as the National Capital Commission is concerned: 1. Yes.

2. No. (a) not applicable (b) In this particular case a more proper word might have been "rubbish".

3. No one.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES, BILL C-16, CONSIDERATION RESUMED ON THE MOTION, MR. ABBOTT, FOR SECOND READING AND REFERENCE TO THE STANDING COMMITTEE ON HEALTH, WELFARE AND SOCIAL AFFAIRS

The House resumed, from Monday, November 1, consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Pierre De Bané (Matane): Mr. Speaker, as I said last night on this bill, we rejoice in its presentation though I regret, naturally, that the government as a federal institution, should have waited so long before bringing forward this very important piece of legislation.

I also said that, Canadian personal debts having increased considerably in the last ten years, to the extent of now representing almost 22 per cent of their disposable income, it is that much more imperative for the government to present those amendments today. What makes this bill interesting is the fact that, once again, its scope is extremely vast. It encompasses all transactions that can concern Canadians individually, and small businesses in the field of borrowing, as well as all Canadians with regard to managing their savings.

In addition, it increases the quality and quantity of credit information; it eliminates useless complications in the field of credit, it reduces to a large extent the possibility of excessively high rates of interest on credit, for we are introducing here the concept of unwarranted interest rates by making it incumbent upon the lender to prove that the interest he charges the borrower is in fact a just rate considering the risks involved and the cost of the capital. We are also introducing the concept of a criminal rate in that when the lender's rates clearly exceed justifiable ones, the guilty is liable not only to a fine but also to imprisonment.

Through this bill, we are also able to rationalize the federal legislation and to establish a strict and uniform legislation regarding consumer credit regulations. Yesterday I expressed some doubts about the constitutional character of this bill and I asked the minister to dispel the fears expressed on this matter by some hon. members, particularly by the hon. member for Edmonton West (Mr. Lambert). I think a good way to understand the significance and timeliness of this bill would be to give examples of some conditions we have today in Canada and against which there is absolutely no legal protection. For example, most depositors are not really paid interest on their deposits as the computation of interest on deposits is made half-yearly on the lowest balance in their accounts. Consequently, tens and tens of millions of dollars are thus lost because that procedure is precisely opposite to that used by lenders when they compute the rate of interest for borrowers.

Another example. If we think that our solvency will allow us to get lower monthly interest rate levied on our loan, we are no doubt deluding ourselves. Yesterday, I referred to the same individual who applies to the same institution but does not use the same system to borrow money, either a bank credit card, a negotiated loan or a term loan. He will be granted a loan with different interest rates.

It is the same for advertising. The various financial institutions are allowed to announce a certain interest rate on savings when in fact the interest rate is much lower. For example, it is quite possible to announce that an interest rate of 8 per cent will be paid on deposits when indeed it will be 5 or 5.2 per cent while this reference to 8 per cent in an advertisement is legal. At the same time, interest charged to borrowers is often greater than the interest rate announced. This is another area that will be settled through this bill. As I said yesterday, this legislation will provide us with the necessary means to pursue lenders who charge usurious rates: 300, 400, 500, and sometimes as much as 2,000 per cent. I recalled yesterday that according to the best information we have, police forces feel that loans at usurious rates now constitute the second financing source of organized crime, of the underworld, the mafia.

This piece of legislation will also provide police force with a tool to dry up this very important source of financing organized crime in Canada. These are but a few aspects of this bill and I hope that through committee deliberations all hon. members of this House will entertain the same spirit to improve the bill where they think certain aspects deserve to be improved. I would like some explanations on the possibility of calculating interest rates on a daily basis. I would like to know to what extent this responsibility will be feasible under this bill for small lending companies. Would not calculation on a monthly basis be more realistic? It is up to the minister to supply us with figures. The responsibility should not be too costly for lending companies or, conversely, it would frustrate borrowers of very important sums. But, on first approach, it seems to me that generally, for relatively small loans, calculation on a monthly rather than on a daily basis would be adequate.

[Mr. De Bané.]

Mr. Speaker, I am glad this bill has been introduced and I hope it will not be the object of a filibuster similar to that which marred the introduction of the first bill on competition. I think that Canadians generally agree that we have not really done much up to now to protect them in this area. In my opinion that is why this bill, which meets a pressing need on the part of Canadian consumers, arrives in the nick of time.

• (1510)

[*English*]

Mr. Ron Huntington (Capilano): Mr. Speaker, I rise to participate in the debate on Bill C-16, the borrowers and depositors protection act. I acknowledge that this is an important bill and wonder, with respect to a bill of this magnitude, of such far-reaching effect on the social scene and to the financial community of Canada, why the opposition was given only 120 hours between first reading and second reading to prepare itself for debate. We are left in this position: as debate proceeds, research papers 60 and 70 pages thick are arriving. We are supposed to know the contents of those papers to make sure the people of Canada are getting improved legislation in this area. I ask, what is the rush with this bill? It is important legislation.

I am greatly concerned because the bill relies heavily on regulation. Throughout the bill there are references to regulations, which indicates to me that the homework done by its drafters was somewhat inadequate. I noticed that in his introductory remarks the minister complimented his staff. I congratulate him for acknowledging the hard work they have done and the extensive communications his departmental people entered into with other departments of government. But having read the bill two or three times, together with some of the available research material, I am led to conclude that there has been little consultation with the business community on some of the spin-off effects of the bill in the private sector. I ask, why would a new, ambitious, obviously smart, somewhat brilliant and youthful minister rush in—

An hon. Member: Don't get carried away.

Mr. Huntington: He is a pretty bright guy. Why would this minister rush into a portfolio from which a wise, respected old owl saw fit to rush out? In my opinion, the Department of Consumer and Corporate Affairs has not brought forward much successful legislation, its legislative record is not good. Nor has it been able properly to enforce existing consumer legislation. Perhaps I can say that the only reason I am in the House today is my astonishment with a former minister of that department who was unable to understand that there can be two points of view.

I am deeply concerned about some aspects of this bill, and completely sympathetic to others. I wonder why the bill was not given the benefit of further consultation with other interested parties affected by it, so that we could look beyond the purview of political opportunism and not get caught in the fly-paper, which is what I feel will happen. The political anxiety to serve the consumer will create secondary effects

which, with more preparation and more listening to a wider audience, could have been prevented.

Let me now list those parts of the bill of which I fully approve. I compliment the government on requiring full and complete disclosure of all loan costs. I think this step is past due. Also, credit charges are to be calculated on a net principal sum, which means the net money the borrower actually receives. This, too, is a step in the right direction. The bill deals with control of advertising, which I agree is important. We agree with some provisions of the bill which apply to some lenders. The bill contains provisions with respect to the prepayment of fixed rate mortgages. I agree with the implementation of this aspect of the bill in a market of rising interest rates. However, I do not think provisions concerning variable mortgage rates have been well thought out by drafters of the bill and I shall deal with that point as I proceed with my remarks.

I believe that the maintenance of requisite records is necessary if the bill is to be meaningful, but wonder how many man-years of employment will be created in any new bureaucracy set up to deal with such matters. As the minister said in his press release, the bill places great emphasis on the curtailment of loan-sharking. I agree that coercive acts, threats or certain misrepresentations in this regard on the part of lenders should be brought under the Criminal Code. There is not any member on my side of the House who does not recognize that these are important aspects of the bill, and I hope that other parts of the bill can be improved as we study it. We hope that eventually good legislation will be placed in the statute books. However, I would not want to see the very positive aspects of the bill disrupted or discouraged, with unforeseen hazards and damaging repercussions to the business sector of this country. One thing that has happened to this country since 1972 and that we are paying for today is disruption of the decision-making base. We have a tendency to legislate in order to curb and correct abuses. This is good. However, let us make sure that we do not add more confusion to the productive sector of the economy which is having great trouble today.

● (1520)

I have said before in this House that one of the problems we are having in the west with this type of legislation and legislation that relies extensively on regulation is that we do not trust the federal scene anymore. That is why I have offered some comments about my concern as to why this bill is being rushed into the House and why it is being put before the health and welfare committee instead of the finance committee. I repeat my regret that I have not had an opportunity to become fully researched and aware of all the implications of this legislation.

Having seen how some of the committees have been manipulated and handled in the past, I have to wonder how extensive a hearing the bill will receive in committee, and to what kind of manipulation it will be subjected by the steering committee and the standing committee it goes before. Will the banks, trust companies, mortgage companies and financial institutions in this country be encouraged to present briefs so that we can minimize the spin-off, detrimental effects that some of these measures might have within the country? Like some of my colleagues, I have very real concern about the effectiveness of the committee system as it is presently being managed by some ministers.

In the research leading to this bill there have been extensive briefs from consumer organizations. As far as my files are concerned, there is an absolute dirth with regard to briefs from the industry which have been the subject of this legislation; this is a void of which industries, if they read *Hansard*, should be aware. When the bill comes back into this House at report stage, I hope that suddenly many aspects of the Canadian community do not only then wake up to the fact that very serious legislation is being imposed upon them. I would like to see full input at the committee stage of this bill. I hope the minister will encourage that type of activity in the steering committee proceedings and in the committee proceedings.

There are some spin-offs that will be quite serious in the Canadian community in the attempts to bring about legislation that will protect the low income borrower. I hope these spin-offs can be prevented and the bill can be kept within its original intent and principle. I wonder if the authors of the bill and the minister are fully aware of the changes that will be forced upon the community.

In the time allowed me to participate in this debate I will try to bring out one or two areas of real concern. Is the bill going to dry up funds and aggravate, rather than alleviate, the situation for the marginal borrower? I hope that in committee there will be full exploration of that aspect and that there will be incentives left or placed within the industry to serve the needs of the low income borrower. To what extent will the bill centralize the lending power of the industry into federal hands? Do the provinces really agree with this centralization? Has the minister had full discourse with his counterparts on the provincial scene? According to a paper that I was able to have typed up just yesterday, there are extensive legal debates ahead for this piece of legislation as it is presently drafted. I have been talking to people in two provincial departments. I find that they are going to resist any centralization of these powers or interference with powers that they are already enjoying in legislation that they implemented well in advance of this bill being presented to the House of Commons.

Is the minister fully aware of who will be the real beneficiaries as a result of this legislation? The reason I ask a question of that nature is that we jumped into the situation where we could offer the Canadian taxpayer tax relief through registered retirement savings plans. We now find our mailboxes filled with letters from people cashing in their registered retirement savings plans for the annuities that are allowed. These annuities are going into the insurance companies of Canada. All the holders of RRSPs are getting back is a rate of interest return on their principal which is less than the interest rate the government will be paying on the Les Terrasses de la Chaudière project. The principal remains for the benefit of the issuer of the annuity. That is a secondary effect respecting which we will have to offer corrective legislation. I trust that in

our committee deliberations we will not fall into that kind of situation with this bill.

There is another matter that causes concern. I ask this question in all sincerity. What will be the extent of the abuses leading to some chaos within the industry if borrowers arbitrarily stop payments? If this risk exists, who will lend money under that kind of program? What worries me is a newspaper report which appeared in the *Globe and Mail*. You get this kind of implication on this aspect of the bill, "If you think your loan rate is too high, you can simply stop making payments and force the lender to take you to court. The lender must then convince the court that the rate is not too high." If there is one problem we have in this country, it is that our judicial system is not working. It is overloaded; it is abused. Yet here we are creating a situation where if an individual feels an interest rate is too high, he can stop payment and force the lender to take him to court, further adding to the burden on the justice system and choking it.

● (1530)

I should like to examine the clause dealing with variable rate mortgages. It was reported almost two years ago that trust companies in Canada encountered serious liquidity problems on a break-up basis. I wonder whether the minister has considered this aspect of the legislation and the effect it will have on the industry. At the present time the industry is working within five-year term mortgages. Lending institutions borrow on five-year guaranteed income certificates and lend their money on five-year term mortgages. It is considered sound practice that the certificates be back-to-back against mortgage lending, and the mortgage companies will probably want deposits to match their obligations.

What will happen to companies which have committed themselves to five-year certificates at, say, the present rate of 10½ per cent, when the government comes along and changes the rules? As you know, Mr. Speaker, the government has a record of creating confusion by changing the rules in midstream, and I am afraid this is what is being done now. It has changed the rules by allowing prepayment without penalty after 36 months. What this means is that three-year term mortgages, not five-year mortgages, will be the mode of the day.

It is my belief that in the government's anxiety to get this bill before the House it has failed to consider the disruption the legislation will cause in the country. Has the minister really considered all the consequences of what he is proposing to do? For instance, how can a new family formation commit itself to a mortgage for a long-term need on the basis of three-year term renewals? Is this fair to the borrower? What assurance is there that he can afford the renewal?

We find ourselves approaching the definition of the demand term of money. It is likely that many borrowers would not have the opportunity to obligate themselves with respect to a long-term financial need when the rules of the game covering their commitment get narrower and narrower. Today, in Canada, our prime lending rate is about 4 per cent higher than the prime lending rate in the United States—10½ per cent as compared to 6½ per cent. Perhaps this country will return to sanity. Perhaps interest rates will go down and the right to own private property will be within the grasp of the rank and file of the emerging generation in Canada.

Maybe we shall accomplish a decrease in the cost of living and increase the purchasing value of the wage dollar. Maybe after the next election a measure of sanity will return to the Canadian scene and the gap between interest rates here and in the United States will narrow. Should these things happen, mortgage rates would fall and there would be a rush of prepayments on the thirty-sixth month anniversary. What happens then to the company which has covered these funds with five-year guaranteed income certificates at 10½ per cent?

I ask the minister this question, also: Where does this legislation offer an incentive to drop interest rates? There is nothing here which would encourage an adjustment in the rate on the part of the lender. I suggest that this prepayment clause is likely to have serious secondary effects and would lead to three-year mortgages which offer no protection to the borrower with a long-term need. Short terms for long-term borrowing purposes represents a definite change in our system. It is my belief that even variable rate mortgages should provide for five-year fixed payments if the real interest on the unsophisticated low income borrower is to be served.

I would be the first to agree that some trust and life insurance companies have been most unfair in enforcing penalty clauses on borrowers in a rising interest market. Such greed and stupidity deserve corrective legislation. I have no argument with that idea at all. When a man managing the affairs of a corporation wants more from the community than he should clearly be asking, we have no choice but to legislate against such excessively self-interested behaviour. However, I should like to see such corrective legislation take into account all the spin-off reactions. The problem which would face the community as a result of the variable rate mortgage provisions is one of them.

In light of possible risks to the liquidity of trust companies in consequence of this legislation—and I pointed out earlier that the companies have already encountered serious liquidity problems—I wonder whether the government should not increase insurance requirements on deposits from the present $20,000 limit up to, say, $50,000 or even $100,000. I make this suggestion bearing in mind that the deposit-taking institutions are being exposed to new risks, and in these circumstances an increase in deposit insurance should be considered parallel to the present bill becoming law.

To return to the subject of the variable rate mortgage for a few moments, one of my concerns is this: what will be done with the principal amount if there is a fixed payment for a term and a variable is interjected? There is a difference here which must be considered. This brings us to the question: Under this legislation, is the review period now to be three years? How, and where, is the difference to be applied? Will it be applied to the principal outstanding, or to the interest on the transaction, or to the term of the transaction? It would

appear that a fixed term is needed for the sake of the borrower. I have already stated my view that three years is too short and that we should be looking at a five-year term as a minimum. If a borrower has not paid in enough money, he will be short at the end of the term. The little person, the unsophisticated borrower we are trying to protect, will not know how much he is short, or over. If he is sucked into a mortgage in a low interest period, perhaps he will be outside the guidelines under which he qualified for the mortgage in the first place.

● (1540)

For example, a man raises a $40,000 mortgage, a high ratio mortgage under which 95 per cent is advanced against it. He has a $40,000 need, and he borrows $38,000. Being a low income borrower, he will need insurance, so let us add another $400. He has now borrowed $38,400 against a $40,000 need. The mortgage is now at 96 per cent; the ratio has increased. Assume there is a 1 per cent interest change three years down the road. This will mean that this low income borrower will have a shortfall of $1,000. In this case the mortgage could be worth more than the house cost. If the market is not up, or if the house is in bad repair and the lender does not want to renew the mortgage, what is this low income borrower going to do?

One question which I do not find answered in the legislation is this. Is any provision made for a renewal clause for the protection of the borrower who finds himself in circumstances such as I have described? Or are we getting borrowers into long-term debt with a short-term demand, and is there any stability in such a situation for them? If existing mortgages can be prepaid, I submit that trust companies are opened to a new exposure which heretofore has not existed. This is why we need to know what will be the new regulations that are continually referred to throughout the bill. I think many of the unknown factors that have created the kinds of concerns I have described will become more serious as we conduct research and discuss matters with the institutions affected.

Another situation that I do not see covered by the bill is that of a company which owns its own mortgage company. A company in that position could put a loss leader on the mortgage and make an excessive profit on the price. What is the low income borrower going to do in that kind of situation when he has a short-term renewal on the mortgage? I have to ask, how far does the government want to go in protecting the unsophisticated borrower? Perhaps the answer lies in a very carefully designed educational program and in giving more assistance to our primary, secondary and tertiary educational institutions to teach the public these very simple facts of life.

Although I have not had a chance, as I have said, to hear from the various institutions affected by this bill, Mr. Speaker, I hope their concerns will be made known to us before the bill gets to committee. I have not had a chance to prepare myself in a technical way for this debate, but I have taken the opportunity to describe one or two aspects of the bill which are of concern to me.

I think this bill is major departure from past statutory schemes, and we will have to be very careful in our deliberations to become fully aware of the legal debate that we are creating between provincial and federal jurisdiction. The provinces really do not want provincial responsibilities interfered with, and this bill, along with the Bank Act, is of concern to certain provinces. I am sure that others will also participate, on this aspect in the coming debate.

The minister goes far beyond his press releases when he submits to the people of Canada that this bill is designed to protect consumers from loan-sharking. The bill has many ramifications for the social scene, some of them very beneficial. I believe all of us have a real challenge ahead in committee to try to create out of this bill a piece of legislation that will be of benefit to the Canadian community as a whole.

There is one other small point that I overlooked, Mr. Speaker. The Post Office says that mail is the property of the receiver at the time of the postmark. The bill implies that lending institutions have an obligation to debits and credits on the date of the postmark. I do not have to remind all members of the House of the chaotic state of the postal service in this country today. We do not give the lender a fair chance to adjust to the ever-lengthening time that it takes to deliver mail or to the mail load that arrives on a Monday. Where in the legislation is it provided that the lender cannot throw away the postmark, and how are we ever going to get ourselves into a situation where we can administer a statute which provides that the postmark applies when dating debits and credits in an account? These are matters that I should like to see cleared up.

I also note that we are talking of a prime times seven factor as being a criminal rate of interest. I do not know where that came from, and some time during this debate I should like to hear the reasoning behind and the rational for a 73.5 per cent rate as being anywhere within the ball-park of a borrower's needs in Canada. I believe my time is up, Mr. Speaker, and that is about the limit of the meaningful comments that I can offer to the minister and his staff on this bill at this point in the debate.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I was somewhat amused by the remarks of the last speaker when he said he had not had a chance to prepare himself for these discussions or to confer with the institutions involved. I find it amusing that the official critic for the opposition was critical of the time it had taken to produce this bill. Most of us have known that the bill has been in the works for a considerable period of time, and those of us who had a genuine interest took the trouble to contact the institutions and other persons interested in the bill in order to find out their opinions so as to try to provide that input.

The borrowers and depositors protection bill which we are debating today is consumer-oriented legislation which should meet with general approval. The objectives of protecting Canadian borrowers against loan-sharking and excessive interest charges, and of providing the public with more and better information for all credit deposits and transactions, should be

accepted by everyone. However, the intention to define strict and uniform rules to protect all borrowers and depositors could result in some disagreement as to the degree and extent to which these rules should apply. Canadians have the right to demand a high minimum standard of protection in their consumer credit ratings. The new bill requires savings institutions to disclose fully such information as the effective annual rate of interest offered and the true amount of service charges, and to credit interest to depositors' accounts at least monthly so that savers can earn the best possible return on their savings dollar. It is this point to which I shall refer later.

● (1550)

For the first time, all borrowers will have the unlimited right to pay off any mortgage loan at any time without penalty charges. This unlimited right of free payment will enable the borrower to retire a higher interest rate loan and to change, without penalty, to the lowest cost loan available to him or her. Under the new bill, mortgage lenders will be required to disclose fully all costs and terms of a loan at each stage of a credit transaction. Their advertising will have to spell out the rates and all the other conditions under which credit is given. Their collection methods will be regulated and subjected to criminal prosecution for harassment, threats and other coercive practices.

The BNA Act gives the federal government exclusive jurisdiction over interest, and all transactions where interest is involved must therefore be considered to be within federal jurisdiction. Banking institutions grant a major part of consumer credit and they fall exclusively within federal jurisdiction. May I add that a mortgage borrower should be fully protected at the time of a mortgage transfer. It must be made obligatory that an institution or individual selling a mortgage to another must advise at that time of any difference in the principal amount outstanding from the sum which the borrower would have normally believed to be outstanding under the principal repayment terms contained in the original agreement.

The bill is also aimed specifically at loan-sharking which is now big business in Canada, exceeding $3 billion annually and still growing. Police investigations show that real rates of interest charged by loan sharks can range as high as 1,500 per cent. However, nearly two-thirds of consumer credit is granted by institutions falling exclusively under federal jurisdiction, such as chartered banks.

I have some misgivings that certain provisions in this bill would better not be considered with the upcoming revisions to the Bank Act. I fully support the establishment of a national data bank on the extent and use of consumer credit. It is of prime importance to set up a national data bank to determine and monitor the extent and uses of consumer credit. Lenders will have to keep records and submit reports their lending activities. The data obtained will be very useful when the time comes to formulate new policies on consumer credit at both the federal and provincial levels. I assume that committee discussion will adequately reassure those who are concerned about any invasion or loss of privacy in this particular section.

Now I would refer briefly to another of my concerns. It is always difficult when we discuss a good bill such as this not to appear to be against the bill if we criticize certain provisions. Nevertheless, the bill will be thoroughly discussed in committee, and presumably the minister is noting my comments. It was reported that the assistant deputy minister of consumer affairs said that the new consumer credit bill would encourage deposit-taking institutions to move gradually toward the daily calculation of interest payments. According to the Montreal *Gazette*, it was stated that a person with $200 in an account at the beginning of the month and who saves $50 a week would receive $2.31 interest that month, based on daily calculations at 8 per cent. Calculated on the monthly minimum balance basis now used at most banks, the interest payment is $1.33, a difference of about $1.00.

I know that the provisions of the bill have been changed somewhat from the documents that were originally given to us, in that now the daily balances are added so that there will be one monthly computation. Nevertheless, the effect, so far as the borrower is concerned, on his interest payments will remain the same. The previous minister of consumer and corporate affairs wrote to me as follows:

> The present banking system of computing interest on the smallest balance in a six-month period permits the banks to use the full total of deposits at their disposal for that period, which they loan out at the highest attainable lending interest rate, and for which they pay the lowest possible deposit interest rate. This proposed legislation is intended to correct that imbalance.

Then he went on to say:

> —there is no requirement for banks to pay any interest on any type of deposit. They do this only as an inducement to obtain funds which they can then lend at a profit.

Computing interest costs about 20 cents per calculation and entry to the account costs another 20 cents. Thus, there is a cost involved. I want to emphasize that point and I will be coming back to it. The banks have paid interest on minimum balances to keep the costs of administration down, not to reduce the cost of funds. The banks also make available a range of certificates of deposit of varying maturities from 30 days to five years on which interest is paid at rates higher than the true savings deposit rate.

Any regulation has a cost, and that cost must be paid by the consumer. So we must examine who will benefit and who will pay, and from that assess the advisability of the regulation. The banks many years ago changed their system to attempt to eliminate the fluctuating overdraft account. In its place the borrower, by demand note, stabilized his borrowings. This system, whilst costly to the heavily fluctuating account, had little or no effect on the longer term borrower. Undoubtedly, the consumer ultimately pays for all costs resulting from government regulation. I should interject here that this is not an argument against government regulation; it is just recognition of this fact before we proceed any further.

The daily addition for interest will, obviously, involve a charge that will be passed on to the customer, presumably in

the form of reduced interest rates. Such a reduction will be applicable to everyone having money on deposit at the bank. It will thus impose a penalty on those who will receive no increase in revenue from the revised method of calculation. Those who have fluctuating sums on deposit will be encouraged to delay payments. They are the least preferable accounts for the banks, yet are the only ones that may obtain some very slight benefit from the new system.

The three points that I have raised are not, under any circumstances, of such import that I would consider protesting to the minister about this particular bill, but they are points which I think are worth raising at this time for committee investigation. Let me reiterate those three points. Forcing the bank to compute interest on a certain basis without being able to determine what the interest rates will be, or whether, for that matter, the banks should pay any interest at all, seems to me an exercise in futility.

I also raised the subject of mortgage transfers. I did that because of my very serious concern about the manner in which mortgages have been transferred or sold between one financial institution and another to the point that the householder may not be advised, because there is nothing in the legislation to ensure that he is advised, that there could possibly have been an error in calculation, or possibly all kinds of trouble, and at the end of the period of the mortgage, whether it is 20 years or 25 years, at which time he expects he will have finished paying off the mortgage, he finds there is a principal sum outstanding. Instead of 20 years, it is now 21 or 22 years, or instead of 25 years it is 26 or 27 years. He might be too far down the road before he realizes there could have been an error of which he was not aware because there is no regulation which requires he be brought up to date.

● (1600)

My third point concerns privacy. The data bank is an excellent idea. I assume many people will be concerned that the information gained by this bank could become too readily available. At the present time there is no doubt that credit information is passed between groups without the knowledge of the individual involved. Although this perhaps applies more when we consider the revisions to the Bank Act, nevertheless it is also applicable to this bill. There is at the present time the practice where a borrower does not have the freedom to go from bank to bank to try to obtain the best deal. In fact, if a person should go to another bank it is almost certain that an inquiry will be made of the banker with whom the person has previously borrowed money. The borrower is likely to be told "I am sorry: we cannot lend you the money you wish". The reason, simply, is that there is co-operation—I will use that very general term—between the banks, which means there is not the same freedom for a person to shop for a loan from a bank as there is when shopping to buy a suit or, for that matter, when one goes to various stores to establish a credit account.

Perhaps it is not in the consideration of this bill that this particular point should be raised, but I hope that in committee this matter will be explored. I have already said that my three concerns are not major concerns, but nevertheless I thought them to be of sufficient importance that they should be brought to the attention of the minister on second reading.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, as the previous speaker mentioned, it appears that the minister has taken a first step in the right direction. I think most of us will agree there are clauses in this bill which are worth while, but the more one reads it and the more one listens to the speeches made, the more one wonders how much good it will do in the direction in which it is going.

I listened to the two previous speakers. The argument was made that they did not have too much time to talk about the details or to examine details. But they did a heck of a good job on behalf of the finance and trust companies of this country. They have talked to them, and it appears to me that they have forgotten about the people who will be involved in these loans.

Mr. Abbott: Who says so?

Mr. Peters: I say so, because I am one of them. I speak from experience. I have had many contracts with Household Finance and one or two other finance companies, and I know how they work.

Mr. Fraser: You know about a bad loan?

Mr. Peters: Yes. I would be happy to tell you about my experience concerning what they considered to be a bad loan. These finance and trust companies are not the great heroes they are made out to be. They receive a parasitic benefit from their financial structure which should not make anyone proud to defend them, because they operate upon the misery of those who need to obtain goods and services and who can obtain those goods and services only by borrowing money at great expense.

The hon. member asked whether I have had any experience with bad loans. This is something the member perhaps should think about. I can remember when I was a miner in Timmins having a loan, as did many members of the union, with Household Finance. I remember that I owed them $300. I was maybe a little more practical than some of the other miners, because I had $300 in the bank. However, being one of the union lads, and since no one else could make their payments to the finance companies, I would not make my payments either.

When I travelled around the country raising money for the strike at that particular time, it was not unusual for me to find a representative of Household Finance waiting for me at my hotel room at 11 o'clock at night. He would harass me. He wanted me to give him $1 on account. This would not pay for the bother of harassing me, but he harassed me every night. He wanted to know who was paying for the hotel room. He wanted to get his finger on one dollar. I refused to give him one dollar, because if none of the other miners could pay one dollar, why should I pay him?

When I went to Windsor, the same thing happened. Another man was at the hotel and there was more harassment. It was

interesting talking to these people. They could not understand why I would not make a payment when I had the money in the bank. They did not see the principle that was involved in my not paying them. It is also interesting that when I went to pay them after the strike, I paid them off in full and they did not charge me any interest for the period during which I had made no payment: there was no penalty.

This talk about penalties and assessments is a lot of hogwash. It depends on the circumstances. This is not really where the problem lies. The minister has considered floating the interest rate on loan companies. I was here, as I believe were some other members. When we last changed the Bank Act. This minister should be fairly familiar with some of the changes which have taken place in the Bank Act, since he comes from a family which had something to do with some of the changes in days gone by. What statement was made when we changed the interest rate from a fixed rate of 6 per cent? We were given a great deal of hogwash from the financial institutions. Everybody went around and saw them. They were well prepared. We were told that if the ceiling was taken off interest rates, they would go down. So I presumed that instead of having a 6 per cent interest rate we would have a rate of 2 per cent or 3 per cent. That did not happen.

● (1610)

When interest rates are not controlled, they go up and up. What really shocks me is that the minister has not talked to anybody who wants to borrow money. He has not talked to any workingmen or poor people who are going to borrow money. They do not care how it is listed; they want money and they want to know how much they will have to repay. They really do not even care how much it will cost, because if they are told it costs less over 36 months as opposed to 24 months, most of them will choose the longer period, and the difference is quite substantial. They will not go to a finance company and ask about interest rates. They are not interested in financial statements, last year's report or how much money these institutions make. They are not interested in how much they have lent, or how secure they are. These people go to finance companies and say that they want to buy a car or a trailer, that they want to take a summer vacation or buy a new stove, that they want to go on to the consumer market or, if they have sick children, to get medicine.

Working people will go into a credit office asking for a loan, and all they are concerned about is whether they are able to give a good enough story in order to get a loan. Very few of them go to a bank, and the reason is that the bank will send them immediately to see the manager. The manager will give them a big song and dance and they will not get the money they want. I once went to a finance company. The reason I went was that that company advertised on the radio, "Come down and see your friendly Household Finance dealer; he has money to lend you." When I needed the money, like everybody else I had that ad in the back of my mind. I went in, and I wanted the money right then. I wanted to spend the money right away. That is why I wanted to borrow it. If I had wanted to think about it for six months, I wouldn't have needed to borrow it; I would have lost interest in whatever it was I was going to buy.

A finance company credit officer will ask where you work, how many children you have, whether you are married and how long you have been at your job, and then he will give you the money.

Mr. Fraser: Only if he finds that you are an MP.

Mr. Peters: When I came here, members of parliament were the last people who would have any success at a financial institution. I would think they had the worst credit rating in the city of Ottawa, and probably across the country. However, years have gone by and, hopefully, our credit rating is better. It would not have mattered even if a member of parliament went to Household Finance. They probably would not have got a loan from a bank, but if they had gone to Household Finance, even they might have been able to borrow.

Interest rates were never a problem. That did not matter, and it does not matter now. The only thing that matters is whether a loan can be made and how many months it will take to pay it back. Why do interest rates not matter? I have not gone to a finance company for many years, but interest rates do not matter because people assume that the government has fixed an interest rate limit for finance companies. If people borrow more money, we get into the mortgage field and there is a different rate, but the government is going to take care of that.

What will happen under the proposal of the minister? I wonder if he ever really thought about it. A worker will go to a finance company and he will be asked whether he is married. If the answer is yes, the credit officer will write down a couple of figures. The worker will then be asked whether he has any children, and another figure will go down. He will then be asked whether he owns his own house and whether it is mortgaged, and a few more figures will be put down. He will be asked whether he has a car and how long he has been at his job, and a few more figures will go down. Then the worker will be told that he is not a good risk and that his rate will be, for example, 24 per cent.

Another fellow might come in with a different set of answers, and taking the minister's "x", "y" and "z" factors into account, his rate might be 17 per cent. So there is another price to pay for this latter applicant. Everyone who goes into a finance company and has a different set of "x", "y" and "z" factors will have a different rate, from the criminal rate right down to a rate at which even the finance company cannot borrow from the bank. The only thing the finance company will have to do is periodically declare its costs, which will have already been negotiated. It is true that a person might be able to go down the street and get a better deal, and that will mean that people might shop around. That might be a good thing. But it seems to me that we are not talking about downtown Montreal, Vancouver or Toronto. In many cases we are talking about places where there is only one financial institution. In those cases, a person may find that he is paying a different rate from his friend, and his friend is paying a different rate

from another friend. Everybody who goes there will have a personalized rate.

The minister will make darned sure that the risk will not be higher than the return, and for this reason, as I see it, he will allow all kinds of rates if people want to negotiate their rates on the basis of these many factors. I think that would be a disaster. The less capable a person is of understanding the rate he is to pay, the more financial institutions will be able to charge him, and he will be charged a high rate. Those who are astute with regard to business practices will not go to finance companies in the first place. They will go to a bank. However, if people are not astute, they are poorly equipped to deal with the information the minister says he is going to provide and they will pay more. Is it not possible for us to go back to a fixed rate?

Hon. members have talked about a criminal rate. When we talk about 73 per cent, we are talking about downtown Toronto, Vancouver or Montreal where the mafia will put a person into a pair of cement shoes if they do not make their payments. That is loan-sharking. Let us not confuse loan-sharking with what happens in the normal course of events. The loan-sharking the minister talks about might be totally different from my understanding of that term, but to me loan-sharking is an unconscionable transaction brought about because a person cannot borrow from anywhere else and he has to pay whatever the situation demands. If necessary, he may have to sign over his life. When the general public reads about loan-sharking, they read about people who pay with their lives.

Mr. Abbott: Oh, come on; that isn't true at all.

Mr. Peters: That is what the general public thinks loan-sharking is.

Mr. Abbott: No, it is not.

Mr. Peters: Over the past year I have been reading about investigations in the city of Montreal into the loan-sharking practices which have been taking place there. What is loan-sharking in the city of Toronto? In Toronto that activity takes place on skid row and people pay with their lives or at interest rates which are sometimes 100 per cent per day. Today a person might borrow $100, and tomorrow he will have to repay $200. When you are borrowing for an emergency, payments of that kind are sometimes warranted. Companies do not borrow this way when they are a little short of cash for a contract and they need a few dollars. That is not loan-sharking as we know it, unless they are dealing with the mafia or the underworld.

● (1620)

I am sure the minister is not prepared to say the legislation will stop that. He has not even taken the precaution of making it mandatory that everyone who enters into any kind of loan arrangement should be licensed. These arrangements that the general public understand as loan-sharking occur in pool rooms and such places. The minister is a lawyer, and I presume he has handled not only corporation law but has acted as defence counsel. If he has, he will know the kind of people the general public consider to be in the loan-sharking business and will no doubt have defended some of their victims. But maybe he has a new definition of loan-sharking, Mr. Speaker, just as he has a new definition of "reasonable interest," meaning whatever can be charged, taking the risk into consideration.

The committee should look carefully at the general problem of interest rates. I consider, as I think anyone with a protestant work ethic background would, that a 10 per cent interest rate is usury.

Mr. Goodale: That is an anti-Catholic remark.

Mr. Peters: As a young person I was exposed to the Protestant ethic. The Roman Catholic philosophy probably has the same kind of ethic and believes that more than 10 per cent interest is thievery. Yet today there are very few house mortgages—and a house is a necessity, not a luxury—where the interest rate is not in excess of 10 per cent.

To get away from dogma, Mr. Speaker, I suppose we could think back to biblical times when Christ threw the moneylenders out of the temple. I used the Protestant ethic as an example because that is the one I was raised under; but I suppose moneylending goes back a long way. Lending money as a result of somebody else's misfortune has never been an honourable profession, but if there is to be any justification for it, then it seems to me the minister has to do a number of things. In the last election campaign the Liberals promised that moneylenders would be licensed in order to control cheque-buying and loan-sharking. I suppose loan-sharking, in common terminology, extends to that dangerous level of the criminal element of our society where people go for money they cannot get elsewhere. If I were to put an interest rate on loan-sharking, I would certainly put 10 per cent in that category; but apparently the minister does not. In the last election campaign the Liberals also indicated that by the end of 1974 they would increase the number of consumer storefront offices to 20. I do not know whether they have done that, but I doubt it very much.

Perhaps we could learn something from the election campaign in the United States. Even in that great, free enterprise empire they are talking about trying to pay their way. Mr. Carter has said it should be mandatory that government expenditures be justified for programs included in the budget.

Mr. Goodale: What do you think we are doing?

Mr. Peters: We are not doing it in this bill. We do not even indicate to people that it may be worth their while to pay for things out of the money they have, rather than the money they may earn tomorrow. The Minister of State for Urban Affairs (Mr. Danson) advanced a very good idea, as a private member, that many of us supported, for a card called "Cashex". He suggested that if you took this card to a store when you made a purchase, you should get a premium for paying cash. Unfortunately, in these days many stores are not equipped to deal with cash and only have credit card facilities.

I think the Minister of Consumer and Corporate Affairs (Mr. Abbott) has an obligation to set up an agency that will inform the people of the advantages of paying cash and will advise individuals how to handle their income in the best way possible. Through advertising the consumer is encouraged to go out and buy, buy, buy. The agency would be able to advise people of the cost of borrowing, and in some cases might even be able to talk them out of making purchases.

I spoke earlier about the role of the banks, Mr. Speaker. When you apply to a bank for a loan, first of all the accountant asks if you have any money in the bank. I can never understand why you would borrow money if you already have some in the bank. At one time I wanted to buy a new car. I had a $5,000 bond in the bank, so I cashed it. I did not spend all of it on the car. Later I found that it cost me $1,500 or $2,000 to cash that bond, whereas if I had borrowed the money I would have come out ahead; the interest rate would have offset the income tax, but nobody explained that to me. A consumer credit advisory bureau would explain to people the best way of handling their money. I do not think the average person has this knowledge.

If the minister is honestly interested in this problem, he should spend a few days talking to the working poor of the country and to the middle income people who are earning good salaries. I think the very poor should not be allowed to borrow money under any circumstances: we should be giving them money instead of asking them to borrow it at interest rates which are unconscionable. If someone is living on welfare or drawing an allowance under one of the federal or provincial programs, it is not always their fault if they have to borrow money from a finance company; it is ours. In my opinion they should not be allowed to borrow. If they can establish the need, there should be an agency to advise them.

● (1630)

To be fair, some agencies and family services in Ontario will help with roof repairs and heating repairs. If someone living on welfare needs money for this sort of thing, it is made available in addition to welfare. That is how it should be handled. You should not ask a person to go to IAC, Household Finance or the friendly finance company for money at high interest, because such borrowing acts like a snowball; pretty soon such people are deeper and deeper in trouble until they must use the bankruptcy structure which this government recently provided.

Incidentally, I heard a story about a young chap who borrowed money from a finance company to go into bankruptcy. He went to a finance company and said, "Lend me $300 to enable me to go bankrupt." The question is, why should a finance company lend him money if he intends to go bankrupt a couple of days later? But the company did lend it. I will tell you why: the guy borrowing the money said, "I will pay you back." This story highlights something very interesting. In the high income brackets of this country you will find cheats of all kinds, those who cheat on a huge scale, those who cheat on income tax, etc. The little guy at the bottom of the scale who works in the mine or factory does not cheat on anything. He has no expense account; he cannot write anything off against income tax. That does not apply to people in the higher income brackets who can even write off their meals. You see them all over Ottawa, eating in restaurants and writing their meals off against income tax. But you and I, Mr. Speaker, as members of parliament are not quite in that position. We are more like the wage earner; we pay for our meals and do not write them off.

An hon. Member: But the price is right.

Mr. Peters: Not even the minister has that privilege, I think.

Mr. Beatty: Pretty soon people will be feeling sorry for us.

Mr. Peters: Not really. The point is that in so many ways this country's poor and those living on salaries are in much the same position: they do not cheat because the system does not allow it. I suppose they might cheat if it were possible. Members of parliament are almost in that category unless they happen to own a business or are involved in some outside interest. They can only claim exemptions for their wives, children, etc.: they claim the normal deductions.

Mr. Gilbert: Unless they sell aircraft.

Mr. Peters: Some, with businesses, are in a somewhat different position. It seems to me that the banks have looked after themselves very well. A few years ago the banks claimed that the 6 per cent interest rate was too low, but in the last four or five years their profits have been so large that their stocks have probably been the most attractive investments available. Where did the banks acquire this extra money? They got it from borrowers. As interest rates rose, they lent money at between 14 per cent and 18 per cent and did very well.

The finance companies did well, too. Banks own, directly, four or five finance companies and lend them money at 10 per cent or 11 per cent interest, money which the finance companies will, in turn, lend at up to 28 per cent interest per annum. I am told that such rates are comparatively low; sometimes money is lent at greater rates. I have heard people talk of finance companies lending at between 11 per cent and 24 per cent. Frankly, I do not think any finance company in this country lends money at such low rates. Most of them borrow money from banks at about 9 per cent or whatever the prime rate is. The record of the financial transactions of some companies is so bad that they can only borrow money at 11 per cent or 12 per cent interest. That matter was not taken into consideration in this bill.

It seems to me that if the minister is saying that interest rates should be in keeping with the risk, he should look at the other side of the coin. Should not the rate bear some relation to how cheaply trust companies, finance companies and other lending institutions get their money? If they borrow cheaply, why can they not lend cheaply? I suppose the minister says that the lender has the right to a fair return. But if he gets his money cheaply, he will make more than a fair return even if one uses the minister's criteria. It is well known that the

repayment record of the poor and the low wage earners of this country is good. The man who borrowed $300 in order to go bankrupt repaid the loan although he was under no legal obligation.

An. hon. Member: What about the other guy?

Mr. Peters: To heck with the other guy; the man went into bankruptcy to get away from him. If you push a guy to the wall, he will go into bankruptcy.

An hon. Member: It is dishonest.

Mr. Peters: Not at all. How many of the hon. member's friends in business have gone bankrupt two or three times and made $1 million?

Mr. Parent: My friends?

Mr. Peters: I assume that some hon. members of this House are on the side of the financial institutions. If a person cannot make it, so to speak he has recourse to bankruptcy. On the other hand, the little guy who borrowed $300 repaid his loan with interest. It has been suggested that we should act in this field as we acted with respect to farm credit, small business loans, student loans and other areas coming under federal legislation. In other words, we ought to guarantee the risk by insurance. The cost of the scheme could be borne by the borrower, who might pay an extra 1 per cent. I believe that for farm credit the borrower pays an additional 1 per cent for supervision and insurance. Under other legislation interest is calculated in much the same manner. It seems to me that with regard to loans under $5,000 we could add an additional 1 per cent to the going interest charged of, say, 17 per cent for administration, and guarantee such loans.

There would be little risk and little expense, since the record shows that there has been default in only 1.5 per cent of all loans made to low income people by finance and trust companies. By doing this we could make more money available. If hon. members believe in the free enterprise market system and in money circulating, by adopting the scheme suggested they could make money circulate. What is more, money would be available at the lowest possible cost to borrowers. Money really has no value except in what it does. It provides a service, as my friend told me a few minutes ago. It does not grow; you cannot plant it. It provides a service, and that is all. It seems to me that people who live off lending money are really not providing a service. They are living off the misery of others.

● (1640)

If the government really wants to help those with very low incomes, they should bring in an insurance program with a fixed interest rate. This would be fair to both the borrower and the lender, and at the same time it would be as fair as possible to those in the most unfortunate position in our economic structure, namely, the poor. I am sure this kind of interest rate has been initiated by the finance companies. They have risk insurance. All I ask is that the interest rate reflect the ability of the finance companies to recover. In order that we will know what that recovery will be, we should set an insurance rate for a certain loan level and make that available to the general public.

I next want to deal with the matter of taking a finance company to court. Big deal! A person is not going to hire a lawyer so that he can sue a finance company because he feels the interest is too high. He would have to borrow from another finance company in order to do that. It may cost him $1,000. The person, already having indicated that he has bad judgment, will probably end up with a bum lawyer. The minister says that rather than go that route, he can let the finance company sue him. Such a person may not have steady employment. Because he does not have much training, he may have a hard time getting a job in the first place. What would happen to his credit rating if he were sued by a finance company? He would never again be able to get credit, so he likely would not follow that route either. If we are going to protect people against money lenders, why ask someone else to do the protecting? Why ask someone to go through the courts? Such a person probably does not have enough money to get a divorce, let alone sue a finance company. We are talking about people the minister does not know anything about. We are talking about half the people of this nation who were not born with a silver spoon in their mouth.

Mr. Fraser: He probably did not have enough money to get married in the first place.

Mr. Peters: The hon. member is correct. In Ontario now it does not matter whether you are married or unmarried; it does not make any difference.

Guaranteed insurance could be provided at a reasonable price. If necessary, the government could carry it. If a loan is insured, the borrower will repay it and interest rates will be kept at a fixed level. There has been talk about small business loans. Why were they not successful? Because the banks would not get involved in them. That may happen with this program if interest rates are too low. I have one other point I wish to make. It is with regard to people cashing cheques at a discount. If there is a postal strike, the government either holds up cheques or sends them out early.

The Acting Speaker (Mr. Ethier): Order, please. I regret having to interrupt the hon. member, but his time has expired. He may continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Peters: The government may send out early family allowance cheques, DVA allowances or DVA pensions. A person may be totally dependent on the cheque for his existence. It is only enough for him to get by without any luxuries for a month. If such a person is allowed to cash his cheque early, the next month will be impossible; he will have no money.

I strongly urge the minister to not legalize that practice even if he believes it will eliminate abuses that have occurred in the

past. Maintenance cheques should cover only one month. If they happen to arrive a little early one month, they should not be able to be cashed early, so that people will have the maintenance in the month for which it was intended. I strongly urge the minister not to proceed with that particular clause.

I thank hon. members of the House for the extra few minutes I have been permitted.

Mr. John A. Fraser (Vancouver South): Mr. Speaker, it is a pleasure to take part in this debate. I want to say, as have other speakers of my party, that we support the principles of this bill and will co-operate with the minister in moving it through the House of Commons and into committee. We will, of course, have a number of questions to ask when it gets into committee. Hopefully, with the co-operation of other members, we will be able to make some improvements.

Having listened to all the speeches so far in this debate, I think it is important that we remember—and it is obvious from looking at it—that this bill was not brought into the House just to go after so-called loan sharks or the hard-core criminal element which deals in lending money to certain people who as some hon. members said, must pay back at 100 per cent or more interest or, in extreme cases, be killed or, in less extreme cases, be beaten up. It is in fairness to the vast majority of honest people in the financial institutions of this country that we say that now.

It is very easy, especially if you listen to what some hon. members have said and what sometimes appears in the media, to come to the conclusion that this bill is designed to wipe out all criminal activity in this country. Clearly, it is not designed to do that. As my friend, the hon. member for Timiskaming (Mr. Peters), said a few minutes ago, it will not do that. Of course it will not.

What is this bill trying to do? No one can expect it to wipe out the hard-core criminal element. It may be helpful in at least making it more difficult for the quasi-criminal loan outlet which is using laundered money to operate rapaciously or unfairly. However, what it is really aimed at is establishing a more reasonable environment within which people in lower income levels or in need of large loans can borrow money with more certainty, knowing the deal they are entering into. That is what this bill is all about.

Some hon. members have pointed out in quite a compelling way that there are problems when unsophisticated borrowers go to finance companies. They have referred to problems when people are in desperate straits through no fault of their own and have to get money very quickly. It is no good telling them they are in no position to borrow. They are in no position to do anything but borrow, unless they steal. That is the dilemma they are in. These people will need money from time to time. There will always be people to whom the wisest advice you could give would be, "Don't borrow any money." They are often the people who desperately need money, and they have to know what the deal is.

[Mr. Peters.]

• (1650)

Some speakers before me, including the last speaker, suggested that the bill should include a vast counselling service so that everybody who contemplates taking out a loan could receive advice on whether they should be taking such a step and, if so, what would be the best kind of loan to take out. It would be nice if we had the resources in this country to give that kind of counselling to everyone who is likely to borrow. But there are practical difficulties as well as philosophic ones in the way of such a proposal.

The practical difficulties are extraordinary when one considers that in 1950 the amount of consumer credit outstanding was $1.2 billion, representing 10.2 per cent of total personal expenditure in that year, and that by the end of 1974 the figure had risen to $20.6 billion, representing 25.8 per cent of the year's consumer spending. To seriously consider that the bill before us can make provision for a counselling service for the benefit of anybody and everybody who wants to get a loan in this country is, in my view, being unrealistic. I am not at all sure that from a philosophical point of view it is wise to take the attitude that people cannot make their own decisions about their affairs. Moreover, I am not at all sure the people concerned would thank us one bit if we set up an expensive bureaucracy to advise them how to manage their personal financial transactions.

I want to emphasize that the bill is designed to create an atmosphere of fairness and certainty in connection with legitimate dealings within the financial market. It is not designed to wipe out the hard-core criminal or even to wipe out the quasi-criminal. It is important to remember that many people who borrow money do not borrow it from financial institutions. They borrow it from each other. A newly-married couple borrows money from parents-in-law or from relatives. Young people borrow from older friends, and friends borrow from each other.

A large number of people who may in the course of a lifetime make only one or two loans are, nonetheless, within the contemplation of the bill before us. I bring this to the attention of the House so that we might avoid the danger of slipping into the assumption that anybody who makes a loan is in the position of being a powerful financial institution knowing exactly what the ground rules are.

I am glad to see the minister in the House, as he has been throughout most of the debate. I say to him, through you, Mr. Speaker, that the measure is a complex one. We understand the reason for its complexity; it deals with a complex subject. But as I was saying, it will govern lenders who are by no means in the position of being powerful financial institutions in receipt of expert advice. It applies to loans made between families or friends, which form part of the financial arrangements made by a great many people in this country. This being the case, we must look carefully at the details of these provisions to ensure that in seeking to create a climate of greater fairness and certainty we do not impose burdens on innocent lenders or upon innocent borrowers which we did not intend to impose.

I would ask the minister, therefore, to make a note that in committee we ought to look carefully to make sure that the penalty clauses will not rebound against people who, when making loans to their sons-in-law or to their nephews, say, fail to set out all the terms of the loan as required under the legislation. Having been a lawyer myself, and knowing that lawyers have never been the most popular people in the community—we have always come just after that most unpopular person, the moneylender—

An hon. Member: Or politician.

An hon. Member: Speak for yourself.

Mr. Fraser: I would point out to some of my colleagues that they would find themselves in considerable difficulty if they were unable to find any money to borrow when they needed it.

Some hon. Members: Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Statutory Holidays—Possibility of legislation establishing Heritage Day; the hon. member for Vancouver South (Mr. Fraser)—Airports—Vancouver International—Suggested environmental studies in connection with proposed third runway—Government position; the hon. member for Humber-St.-George's-St. Barbe (Mr. Marshall)—Canadian National Railways—Reduction of staff and service in Newfoundland—Request for investigation.

PRIVATE MEMBERS' PUBLIC BILLS

[*Englishs*]

CANADA ELECTIONS ACT

MEASURE TO PROVIDE FOR PERMANENT VOTERS' LIST

Mr. John Reynolds (Burnaby-Richmond-Delta) moved that Bill C-204, to amend the Canada Elections Act (permanent voters' list), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, it is a pleasure to be here this afternoon speaking on this problem. I am somewhat out of breath: we were sitting in the committee on justice this afternoon and I was still questioning Mr. Terry at five minutes to five. I shall be very quick. I have notes for a short speech about the benefits which, hopefully, would flow from this bill and I trust hon. members opposite will agree to let it go to committee.

The preparation of a voters' list is one of the most important stages in a general election. The fair and comprehensive compilation of such a list is one aspect of electoral reform to which a great deal of time has been devoted, yet this remains an area of differing opinions. To adequately answer the question as to which system has the least drawbacks and most advantages, we should look at this problem within the framework of some criteria. The first and foremost criterion is the inclusion of the greatest number of names of eligible voters and, conversely, of the least possible number of eneligible voters. The second criterion is the relative cost of preparing the list of voters.

● (1700)

My bill, Mr. Speaker, calls for a continuous, permanent list in which the initiative for registration should lie with the individual. This is not to say that the Crown should not exercise some influence. As is the experience in many American states, unless there is some degree of compulsion or scheme of intensive publicity campaigns, reliance on voter initiative is unlikely to produce a very complete list. What we would have is a combination of systems placing the primary responsibility on the voters to register themselves, and also introducing a considerable measure of follow-up action and publicity by election officials to ensure that the greatest possible number of voters do in fact exercise their right. Two examples of this system would be New Zealand and Great Britain.

It is my feeling that Canadian election campaigns are unduly prolonged, not so much to allow the campaign strategists to exercise their talents but more to allow for an election list to be compiled as accurately as possible in a given time. Surely, Mr. Speaker, a permanent, continuous list would alleviate some of the cumbersome and time-consuming qualities our system now exhibits. A permanent, continuous list would indeed be fair for all parties and allow campaign organizers to have a copy of a list of voters at any given time and allow more time for workers and supporters to canvass prospective voters.

In a study in 1968, the Canadian representation commissioner found that:

> The system of continuous electoral rolls currently in use in the Commonwealth of Australia, including the method of compulsory registration on the part of the electors, can be adapted for use in federal elections in Canada to reduce the time required for the holding of elections and to provide improved facilities for voting by electors—

There have been arguments, Mr. Speaker, that to effectively and adequately institute a continuous, permanent voters' list involves the outlay of a sufficient amount of money. Firstly, this conclusion has been arrived at not out of practice but out of guesswork. Not since 1935, by way of the Dominion Franchise Act of 1934, have we tried a permanent list. By the chief

electoral officer's own words, the permanent list was not that disfunctional. Many feel that in order to set up a continuous, permanent voters' list an electoral office must be set up in each constituency. I do not think this is necessary, and in order to cut down the expenses one central office could surely handle compilation of a list that effectively puts the onus on the voter to register himself. Naturally, an annual update of the list would have to occur and then review officers could be sent out to the constituencies to update the list, making deletions and noting changes.

One way, Mr. Speaker, of facilitating the actual registration voters could be by way of incorporating a section on our personal income tax forms. The names and related documentation could easily be handled by the revenue department's computer with considerable ease, thus alleviating some of the paperwork, added confusion and extra expenditures. I am told the cost of conducting the enumeration in the last federal election in 1974 cost $29 million. I think one can question not only the cost but the accuracy of the enumeration and the number of individuals disenfranchised in each election because of haphazard enumeration. A permanent list with yearly updates by way of constituency reviews can surely incorporate the greatest number of eligible voters at any given time. Surely this is what we should be striving for in electoral reform, Mr. Speaker.

Not since 1938, under the Dominion Elections Act, has the process of registering voters changed. I am not saying the permanent list is the answer to all the problems, but I do think this bill should be referred to committee for study. Perhaps there we can carefully and accurately ascertain which system best suits our needs. I do not think it is fair to dismiss the permanent voters' list as expensive. It does hold some redeeming value in the enumerating process, and I think with a carefully constructed combination of primary responsibility on the voter, and exact follow-up action on a yearly basis, we can have a system that will be envied.

In conclusion, Mr. Speaker, I would like to make reference to a comparison of the percentage of the total voting age populations which were registered on official voters' lists. The most recent figures I could obtain are from the 1966 census, but I think they will nonetheless explain my point. At that time the voting age was 21 years. The number of voting age population, according to the 1966 census, was 11,260,202. The number of electors on voters' lists for that time was 10,274,-904, a difference of 985,298, all of whom were disenfranchised. I am well aware that those institutionalized or those classified as transients sometimes lose their vote, but a figure close to one million causes me some concern. I have to ask myself how thoroughly our present enumeration is being carried out, and for that reason alone I think this bill should be referred to committee.

Finally, I should just like to say this, Mr. Speaker. In getting the bill into committee, one aspect we will have to examine, and one of the matters we have talked about in the privileges and elections committee last session, is the length of time of elections. We are managing to knock a few days off at

[Mr. Reynolds.]

times, but the election now going on in the province of Quebec is going to last 28 days. I think that should be the maximum time. A month is more time than we need for an election in the electoral process of this country.

The cost of keeping a permanent voters' list may be more than an enumeration every two, three or four years whenever an election is called. The cost saved to the public purse in cutting down the length of an election would, however, be tremendous. It would also mean that parliament would not have to be in recess for such a long time. Therefore, I hope hon. members on the other side will see fit to send this bill to committee. We did not come up with a final answer last session, but if the bill does go back to committee we may be able to come up with a solution this time which will save the voters of this country another long election, whenever it may be.

Mr. Gilbert Parent (St. Catharines): Mr. Speaker, I agree with the criteria set out by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds). We should evaluate the various systems of preparing electoral rolls in existence in Canada. The two criteria which should be used to evaluate the systems, or which could be used in the registration procedures, would be as follows. The first criterion is the inclusion of the greatest number of names eligible, and the least possible number of ineligible names. The second criterion, of course, is the relative cost of preparing the list of voters.

Always keep in mind, Mr. Speaker, that even with the most perfect list of voters that we could have, it still would not guarantee a good voter turnout. This is the experience in the United States today, where they estimate they might get 50 per cent of the voters out. I am told they do have obligatory and continual permanent voting, if you will, in many of the states, if not all of them, though I do not know whether that is the federal fact. I think we should surely take this into consideration in our discussion of a permanent voters' list and its place in Canadian society.

[*Translation*]

Now, Mr. Speaker, let us first examine the features of the different voter registration systems. Voter registration has been accepted in western democratic countries as a protection against fraud. It makes possible advance identification of such voters who are really entitled to cast their ballots so that we may be sure that only they will exercise their rights to vote. With this in mind, democratic countries have enacted various legislation providing for voter registration.

[*Englishs*]

Voter registration systems were gradually adopted in most countries in the latter half of the nineteenth century and arose out of a general need to bring administrative order to the election process. Some countries created systems that placed responsibility for registration on individual voters, but Canada made public authority, not the individual, legally responsible for the burden of voter registration. This distiction between government initiated systems and those which depend on the

personal initiative of voters is a fundamental dimension that can be used to characterize voter registration systems.

• (1710)

Let us consider two kinds of government-initiated registration systems. In countries where there is a register of internal migration, a list of eligible voters is generated from information recorded in a general population register. In West Germany, for example, the state maintains a continuous record of important demographic events for each citizen. This record includes birth, death, marriage, divorce and migration. It is the recording of this last event, migration, that makes possible the compilation of an extremely accurate electoral register. Each German citizen must register changes of residence with the local authorities. There is a fine for non-compliance. If the move is between cities, the citizen must notify the officials in both places. All of this information is recorded in a central municipal office. An electoral official examines each new registration to see that that registrant is qualified to vote. If so, the name and credentials are placed in a special file of qualified voters. At the time of an election, the file is used to print lists of qualified voters. Similar systems of automatic registration are used in Sweden and in Switzerland.

I do not know if the Canadian people as a whole would readily accept this kind of documentation of their citizens travelling between cities. I would remind my colleagues that in Canada you can go from coast to coast without registering, so long as you are a citizen, and even if you are not, no one will bother you. I do not know if it is in the nature of a Canadian citizen to accept this kind of documentation with the purpose of finding out where you are and where you are going, all in the name of voter registration, in the name of controlling the movement of citizens. Perhaps it is acceptable in Europe, but I suggest that it would not be totally acceptable to those of us who live in Canada.

[*Translation*]

The second registration formula initiated by the government is a kind of census carried out by a government agency. This is the case in England and in Canada where there is no mandatory registration and no internal migration. In England a fresh list of electors is drawn every year for each Federal constituency. The municipal clerk sends application forms through the mail to each household in the constituency. The head of the household has the responsibility under the law to list all qualified voters residing with him and mail back the list to the municipal clerk.

[*English*]

If the response to this direct mail canvass is not satisfactory, the clerk sends door-to-door canvassers to those areas with low response rates. The list developed through the canvass is used for any and all elections held during the year following the end of the canvass and the official closing of the next list on February 15 of the following year. In Canada, a new list of qualified voters is developed prior to each federal election. A complete door-to-door canvass is made in urban areas, which are defined by law as cities of 5,000 or more. In rural areas the lists are made up by registration officials through a door-to-door canvass or other inquiries.

Government-initiated registration systems can be further distinguished by their effectiveness in registering the eligible electorate. I note that the hon. member in his remarks to us in the House referred to the success of a permanent list. I think he should be made aware of the results of the permanent lists which are used in England. Systems of automatic registration obviously are most effective, depending only on the accuracy of the population register. In countries with a compulsory registration system, the electoral list should be virtually a complete accounting of the potential by qualified electorate, minus people in transit at the time of an election. The canvassing techniques used in Canada and England also produce lists which accurately mirror the potential electorate. The Chief Electoral Officer of Canada, who supervises the conduct of federal elections, estimates that for the 1972 election approximately 90 per cent of all eligible voters were registered.

What about the British lists? These are permanent voters' lists. How do they compare with the system currently in use in Canada? We should look at the two so as to compare them. First of all, the British lists are a little less accurate, depending on when an election is held. In Canada, registration is conducted only before each election and the lists are no more than 2½ weeks old by election day. In Britain, registration is done annually and the lists are closed on February 15 of each year. No new registrations are added after the closing date, but people who move after the close of the lists may vote from their former residence in parliamentary elections. This means that elections held toward the end of the 12-month period in which the electoral register is in effect will be conducted under old, and thus more inaccurate, list. An election held in December, for example, would be conducted with a list 9½ months old. Nonetheless, the electoral register still accurately lists approximately 85 per cent of the people living in a constituency even at the end of its one-year life. I suggest that this is nowhere near the 98 per cent which we have currently in Canada.

A study of the accuracy of the 1966 register in England produced the following findings. On the qualifying date, October 10, 1965, they were able to list 96 per cent of all the people who were eligible to vote, not 98 per cent but 96 per cent to begin with. When the register came into force on February 16, 1966, the list was down to an accuracy of 93 per cent. Halfway through the life of the register in August, 1966, it was down to 89 per cent and, as I mentioned before, at the end of the life of the register on February 15, 1967, it was down to 85 per cent. I suggest that this is not acceptable when we can get more up-to-date lists.

Registration systems in which the burden for initiating registration lies with the individual citizen appear to be limited to the United States, as I mentioned earlier, to the province of British Columbia where the hon. member for Burnaby-Richmond-Delta comes from, to France, and to a few Latin American countries.

Who is to be entrusted with the gathering of all this information, always keeping in mind that here in Canada at least we have government-initiated programs where the government is the authority which gets this information, not the individual? We know that the returning officers appoint two enumerators in each urban polling division. These enumerators are chosen from lists supplied by the two candidates who have received the highest number of votes in the preceding election. This bipartisan feature is intended to serve as a check against attempts to falsify the registration lists. The enumerators are paid a flat fee of $35, plus an addition of ten cents for each name added to the list. Most enumerators earn between $50 and $60.

● (1720)

As to the method of gathering information, the enumerators must visit each dwelling place in the polling division. If there is no one at home on their first visit, they must leave a card stating the date and time they will call again. If there are two visits, one must occur between 9 a.m. and 6 p.m. and the other between 7 p.m. and 10 p.m. For each person enumerated they must leave a form notifying the individual that he or she will be included on the list of eligible voters.

So here we have a counter check by which to make sure that the people who are directly involved in the voting process will know not only that they are eligible but that they are on the list, so that on election day they will be able to take part in the democratic process. In Canada the information obtained by the enumerators includes only name, address and occupation. I would point out, again, that at least to me this information about internal migration in our country is just not acceptable. No signature is obtained from the elector, nor can enumerators demand identification such as a driver's licence, birth certificate and the like.

It is possible for aliens such as United States citizens or citizens from any other country living in Canada to appear on the enumerator's list. They are not required to obtain information directly from each eligible voter but many obtain it from other sources such as members of the family. The printed list sent to candidates and voters serves a number of purposes. It is primarily a device for ensuring accuracy. People listed incorrectly can have corrections made at a later revising period. At the same time, those voters such as resident aliens listed improperly may be challenged, and those left off the list may be added.

Since the list is so widely available and a common object of public knowledge, it is believed there is little opportunity for fraudulent registrations. The printed lists also serve an important information function, noting the times and locations for revising the lists, procedures for challenges and corrections, information about advance polling and the location of polling places. The hon. member for Burnaby-Richmond-Delta mentioned that in Canada a new list is prepared for each federal election. Indeed it is. The lists are used for that election only and then discarded. This system has been in use since 1920 with the exception of the 1935 general election when permanent lists were used.

[Mr. Parent.]

This was repealed in 1938, allegedly because of the excessive cost and the inaccuracy of the voters' lists obtained. I refer to the criteria, once again, which the hon. member has raised. Let us evaluate the various systems for preparing electoral rolls in existence in Canada. Two criteria, as was mentioned, would be used to evaluate the registration procedures. The first criterion is the inclusion of the greatest number of names of eligible voters, and the least possible number of the ineligible.

The second criterion is the relative cost of preparing the list of voters. From the first criterion, which is that of the quantity of names of eligible votes included, and the accuracy of the list, it seems a system of continuous lists with compulsory registration by voters is the best system. Yet the only continuous list in existence in Canada, which is the British Columbia system, does not require compulsory registration. Experience in many American states indicates that unless there is some degree of compulsion, or a scheme of intensive publicity campaigns, reliance on voter initiative is unlikely to produce a very complete list.

Now I should like to quote from the same source as the hon. member. In his report on Methods of Registration of Electors and Absentee Voting (1968), the representation commissioner of Canada commented on the problems of a system employing voluntary registration as the sole method of updating the rolls. He said:

> Because of the general apathy with which electors view registration, few avail themselves of the opportunity to register or correct existing registration either by personal attendance before, or by mailing the prescribed forms to, a registrar, in the period between elections.
>
> When a general election is imminent and during the short period of time between the date an election is called and polling day, there is an impetus for some electors to register. However, such a last minute rush tends to cause the system to break down under its own weight. It is impossible to deal adequately with a large number of new registrations at a date so close to polling day.

It is too soon to make a judgment on the system of a permanent list drawn up by enumeration established by Quebec and Prince Edward Island. Generally speaking, the free election enumeration procedure in effect in Canada and in most provinces has been satisfactory. This system produces what is surely the most up-to-date list of voters possible. The main source of error on the list is not so much the omission of the eligible as the inclusion of the ineligible, especially the non-citizens.

With regard to the second criterion, which is that of the cost of making the lists, it is the temporary list system that is the least costly. If I may quote the figures of the hon. member, he said that the cost in 1974 was $29 million. I ask myself and I ask you, Mr. Speaker, and other members of this House what would be the cost of permanent, ongoing lists if they were more than the $29 million which has been quoted?

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Parent: The cost of the continuous list system with compulsory registration has been assessed by the representation commissioner in his report as being very high. He concludes:

> However, it is my belief that the adoption of such a system would prove to be very costly. The setting up of a permanent office in each electoral district, the recruitment of a great many permanent and casual employees, and an annual house to house canvass by review officers in order to purge and up date the existing lists of electors would be the major items of expense.

Likewise, the system of an annual enumeration in Quebec is very costly. The cost in Quebec is estimated to be $3 million a year. I must hasten to point out that lists of electors in Quebec are placed at the disposal of school boards and municipalities for electoral purposes throughout the province. This reduces the cost of elections for these institutions. The list is also used for drawing up jury lists. In conclusion, I ask what the cost will be and, indeed, how much more effective, if at all, permanent voters' lists will be.

● (1730)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in spite of the attempt of the hon. member for St. Catharines (Mr. Parent) to demolish this bill, I still rise to support it. Indeed, as I was listening to the hon. member, I was wondering what he would do with that speech if the government he supports were to turn around and bring in a permanent voters' list.

Mr. Parent: I'd revise it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is one of the most honest interjections I have ever heard from the government side of the House.

Mr. Parent: I didn't say how; I just said I would.

Mr. Knowles (Winnipeg North Centre): He is right. He would either have to revise it, or the words he would have to eat would give him indigestion from head to toe!

I commend the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) for bringing in this bill and also for addressing himself to what I think is the only serious question which applies to it, namely, the question of cost. I do not think there is any doubt that it would be a costly proposition to have a permanent voters' list, although as the hon. member pointed out, if it could result in election campaigns being much shorter than they are now, then the amount of money we could save, not just from the public purse but across the board, would be tremendous.

Let me get back to the hon. member for St. Catharines. He is a young member and a young man, but he is a debater of the old school. The thing I enjoyed was the way he took the simple request of the hon. member for Burnaby-Richmond-Delta that there be a permanent voters' list and developed it into almost a Nazi type of registration of people with respect to everything they are going to do. He had my friend's permanent voters' list completely wiping out freedom of movement and all the other freedoms we enjoy in Canada. It was really tremendous. As a debating effort it would sound tremendous in any high school debate on this subject.

Some hon. Members: Hear, hear!

Mr. Goodale: That is what the Tories did to Bill C-83.

Mr. Knowles (Winnipeg North Centre): However, we are not talking about a system of limiting people's movement from one part of the country to the other. We are not talking about a registration of everything which goes on in the private lives of our citizens. We are talking about one thing only, a permanent voters' list, so that it can be more correct than the lists which are made up during election periods and so that an election campaign can be conducted in a much shorter period than is now the case.

I think the arguments are all in favour of it, and if one examines the studies of the matter which have been made it will be found that in principle those studies come down on the side of a permanent voters' list, the only problem being cost. There are many things in this country which are costly, but we decide that we want them and that they are worth the cost. I think it would be worth a few extra dollars to have a permanent voters' list, and I hope, despite the tradition around here as to what happens to private members' bills, that the subject matter of this one might yet get to the committee. Toward that end I hereby abbreviate my remarks and indicate my support for the bill.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, first of all I would like to make a remark before going any further in this speech since the hon. member for St. Catharines (Mr. Parent) mentioned that it would cost too much. I would simply like to point out to him that this government is spending astronomical amounts every day to deport large numbers of immigrants whom we do not want to keep here. So when talking about the cost, one should perhaps check all departments.

Coming back to the permanent voters list, Mr. Speaker, may I first say that I am doubly happy to support my colleague because in 1974 I had indeed prepared a rather comprehensive paper advocating the establishment of such a list. First it would allow a lot of people to vote, particularly when an election takes place during the summer—for example, on July 8, 1974. How many people were deprived of their right to vote simply because they were away on holiday when all of a sudden the election was called.

The enumeration and the revision take place, and people are deprived of their basic right. It is not a matter of telling someone that he has to go and vote; but for the one who wants to vote and has his right taken away from him in that manner there comes a time when we have to make up our minds to find the necessary means to allow those people to go cast their ballot. There are many other things in such system that could result in other people being able to vote in their place.

In any case, Mr. Speaker, I do not want to dwell on the subject. I hope the House can at least allow this bill to go to the appropriate committee. I want to assure my colleagues on both sides of the House if they want I will send them all the documentation to know how a permanent voters' list could be put together in this country. I have it in both official languages. I will be pleased to have copies made of it and distributed.

I remember the case of a lady of almost 90 years of age;—not at the time of the 1975 by-elections because at that time those things did not happen—she cried because her name had been left out in the list when the enumerator had gone around. When the list was revised and the error was noticed, it was too late to do anything about it. There again, there have been many cases of injustice.

There is a form bearing No. 7 and entitled "Enumerators' Notice to Elector". A candidate never knows how many of those forms are in the possession of the returning officer. The social insurance number is not even indicated on those forms. How can there be any control? Not that I want to cast any doubt on the integrity of the returning officers, but the fact remains that there are always a few dishonest people who manage to get those documents and make counterfeits. I can assure you that there are many ways to get votes and win an election dishonestly.

A permanent voters' list would, finally and once and for all, enable us to have honest elections in Canada. And, I am convinced of it, when my colleagues read the document I will send them, they will see that the truth exists and that facts prove it.

Of course, when we talk about a permanent list, in my opinion and according to the working paper that I have here, it is out of the question to have a yearly registration. It is also out of the question to change everything completely. Certain people do not want to register because they do not want to be checked upon, like the hon. member for St. Catharines (Mr. Parent) said so well. Of course, they are not being checked upon. If you move and go from one province to another, your health insurance card and other proofs of identity follow you.

I think that we must eliminate this fear factor. These papers could easily include a voter card. I have heard people talk for many years. I have heard so-called experts talk about voter cards and permanent lists, but no sincere person ever dared submit something concrete. I am not saying that it is perfect. I am not saying that it is 100 per cent. But if it can help my colleagues, we should at least accept that this bill be referred to the appropriate authority, and then, in the light of suggestions from all sides of the House and of this working paper, Parliament would be able to decide whether we should adopt a permanent voters list in Canada and how it should be done. It is important to know this. But for the moment, it is important to know whether the House will at least accept to study the bill submitted by my colleague. I shall come back to this point at a later date if the bill reaches second reading, and I hope it will.

[Mr. Lavoie.]

• (1740)

[*English*]

Mr. Jack Pearsall (Coast Chilcotin): Mr. Speaker, I have listened with mixed feelings to the speeches this evening on a subject in which I have been involved for many, many years and I should like to comment on some of the remarks that have been made. I hope that I can straighten out a few facts as well.

It is ten years since I was first summoned to Ottawa and during my time here parliament appointed me returning officer for the riding I now represent.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Pearsall: Between 1966 and 1972 I participated in two federal elections as returning officer for that riding. During my training course one of the questions I put to the Chief Electoral Officer was on whether there had been any discussion about a permanent voters' list. He replied that it had been raised many times that a number of private bills had been introduced, and died on the order paper. I have been given to understand that the hon. member for Winnipeg North Centre (Mr. Knowles) asked the same question on his first day in the House and perhaps he could confirm that.

Mr. Knowles (Winnipeg North Centre): I did a long time ago, but that was not my first question. My first question was about unemployment.

Mr. Pearsall: Perhaps the two countries which best illustrate the use of the permanent voters' list are Australia and New Zealand. There is also West Germany. In Australia, however, there is the additional factor of a penalty for those who fail to vote. I think hon. members will recall that through many elections in Australia, as in Canada, one party stays in for very long periods of time. Indeed before the last Australian general election the Governor General saw fit to remove the prime minister from office. He then dissolved parliament and called another election.

In Australia the permanent voters' list is revised at a specific time—it is like bringing in your car to be tuned; voters get tuned at certain times of the year. In the instance I have cited the election came six months too soon and, as a result, many Australians were disfranchised. This points out the weakness of the system, Mr. Speaker; to be effective it should be kept up almost on a monthly basis.

One of the most ideal countries in the world for the operation of a permanent voters' list would be the United States. It is ironic that we should be discussing this today when they are in the throes of an election. Every four years in the United States there is a presidential election. Even if a president should die during his term, or be removed from office, the vice president carries on until the term expires. It happens quite frequently in that country that the elected President and the Senate and House of Representatives are of the opposite parties. I think

the last time the president was of the same party as the house was during President Johnson's term. The United States is one of the few countries in the world that could use a permanent voters' list on a federal basis. Some hon. members have stated that there is a permanent voters' list in the United States, but I would point out that it does not apply to all states; there are two or three states with no such system.

It has been mentioned already that Canada tried this system in July, 1934. But in the 1935 election very few people came out to vote, using the normal procedures. In the end many of the members who were elected on that occasion had to go out and find the people and get them registered because there was no proper system. As the hon. member for St. Catharines (Mr. Parent) pointed out, the arrangement had to be abandoned.

Some hon. members have touched on the question of costs. The hon. member for St. Catharines hedged on the costs of the 1974 election and the possible cost of the next one. But, Mr. Speaker, I do not mind putting a figure on it. It will be anywhere from $30 million to $32 million. As the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds) suggested, by reducing the election period from 60 days to 47 days, $2 million could be saved. But here we are playing around with $4 million to $6 million for a permanent voters list.

It is also likely that an additional 1,200 to 1,300 civil servants would be required to keep a permanent voters list up to date. If we want to hold costs down we must think of these things.

The hon. member for Hochelaga (Mr. Lavoie) referred to the problem of people being missed by enumerators. A permanent voters list would correct that problem.

I would like to ask the hon. member for Burnaby-Richmond-Delta and the hon. member for Winnipeg North Centre to join with me in trying to find a way to take care of the absentee vote which is something we do not have in the present Federal Elections Act. The matter of the proxy vote was brought up some years ago by a former member for Coast Chilcotin, Mr. Paul St. Pierre. I do not mind saying that I assisted him as a returning officer and helped him to prepare the proposal. It was milked down considerably in committee. When the matter came before the House of Commons for a vote, it was not in the form I had anticipated. The proxy vote has its weaknesses. It has been abused in two elections. I came across a number of abuses in the 1972 election, and I know there were abuses in the 1974 election.

● (1750)

Hon. members should know that any permanent voters' list would involve high expenses. We ought to be most concerned about those who must be away from home, who are travelling or on holiday and, under the present Canada Elections Act, are denied the privilege of voting, and not so greatly concerned about a permanent voters list.

Let me touch on something else. We spoke of enumerators, but now I raise the matter of participation. We all know what it means, especially when we run political campaigns. Instead of being concerned about a permanent voters' list, it would be better if people would take a greater interest in the political process. I would hope that as many Canadians as possible would participate in any general election, would think highly of those who are elected, and take a great interest in individual candidates.

It is possible that if you do away with enumeration and the enumeration system you will take many hundreds of people out of circulation. The hon. member for Hochelaga touched on various subjects and talked about voters' lists. During my six years as a returning officer I knew of no instance of any returning officer anywhere in Canada being involved in underhand dealings involving voters' lists and wrongfully giving out information pertinent to the electoral process. I want to make that point clear because it is possible that allegations of bad dealing have been made by some who could not back up their statements.

As a former electoral officer I have great respect for my former chief, the Chief Electoral Officer, and for all my other colleagues who worked with me during that period.

Some hon. Members: Hear, hear!

Mr. Pearsall: I have been touching areas I had not expected to touch on, Mr. Speaker. I should like to wind up my comments by bringing forward a fact or two. If we introduce any permanent voters list we should need to use some sort of computer system; I do not know if one would be handy or if we could borrow one from some department of government. I have visions of the Chief Electoral Officer being forced to double, even triple his staff here in Ottawa alone if there is to be installed a computer system which will handle everything necessary for making up a permanent voters' list. Frankly I do not think the people of Canada want this. The load put on the Chief Electoral Officer would be enormous, so great that almost a brand new office would be created in the process.

What worries me most is that if we are to establish a permanent voters list—and I have heard few suggestions as to how this is to be done—the Canada Elections Act would become a thing of the past. Mr. Speaker, many years of hard work have gone into the formulation of the act. Members of this House have contributed to it. Hon. members have suggested amendments which are now included in the act and govern the way we conduct our elections.

I can tell hon. members that in the eyes of other countries, Canada's electoral system, based on our present system of enumerating in federal elections, is one of the finest in the world. Other countries look up to us for the way in which we do these things. We are in constant touch with the elector and are involving Canadians in the job they have to do.

I have spoken much too long, Mr. Speaker.

An hon. Member: Please continue.

Mr. Pearsall: I will, if hon. members wish me to continue. I wish to touch on some other points which I think should be brought forward.

An hon. Member: Brisco wants to speak for a couple of minutes.

Mr. Pearsall: I know of the hon. member.

Mr. Brisco: Then why don't you sit down and let me have a crack at speaking?

Mr. Pearsall: Mr. Speaker, this afternoon's discussion does not involve just one side of the House. I have before me, in printed form, the comments of hon. members opposite, of all three parties; they participated in discussions on this subject before the privileges and elections committee during the previous session of parliament. It is most interesting to read some of those comments. One hon. member learned a number of years ago, when touring with the committee, just how good the Canadian electoral system is. He was told in Puerto Rico that, "We respect the Canadian system for the holding of elections." This story was told by an NDP member; I do not think the hon. member for Winnipeg North Centre will object if I reveal that the hon. member for Regina-Lake Centre (Mr. Benjamin) mentioned this in committee. He has always been an active member of the committee.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Pearsall: I am coming to the final part of my remarks. I emphasize, as has been said, that at election time we deal with people. It is all very well to have a permanent voters' list. You can have 21 million or X number on your voters' list; but that is not what counts. What counts is the people who turn out to vote. It does not matter how many are on the list; what matters is how many people become involved in the actual election. That is why our system is so good. The enumerator reminds people they have a job to do, that they must come forward and play their part in the election. Let us not forget that the ballot in Canada is still secret. We are very fortunate in being able to step forward and cast our vote in secret. It is a privilege. I particularly wanted to make that point.

Let me deal with another point which may not have been mentioned. Statistics for the years 1965 to 1971 show that 50 per cent of the people of Canada tend to change their residences within a certain period. We are somewhat nomadic. I understand the figure recently rose to 70 per cent, and the most recent figure may even approach 75 per cent. Our people are not just confinned to Canada, Mr. Speaker; we are to be found all over the world. We are travelling, as never before—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Pearsall: Mr. Speaker, I was hoping to finish my sentence—

The Acting Speaker (Mr. Ethier): Order, please.

[*Translation*]

It being six o'clock, the hour appointed for consideration of private members' business has expired. I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

The House resumed consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. John A. Fraser (Vancouver): Mr. Speaker, before the dinner adjournment, as a result of a moment of enthusiasm on the part of some of my colleagues, I was interrupted. One of the consequences of that is that it compels hon. members to hear again what I was saying at the end of my remarks before private members' hour began.

In response to what some hon. members have said throughout the debate so far, keeping in mind that sometimes, perhaps out of thoughtlessness, the thrust of the remarks has almost been an attack on all those who are in lending institutions in this country, and in the financial part of our commercial world, I was pointing out that, next to lawyers, money lenders over the centuries, as literature shows us, have been most unpopular.

An hon. Member: Just speak for yourself.

Mr. Fraser: That remark was made before the dinner hour. You will have to come up with some new ones now.

The point I am making in all seriousness is that in the commercial world in which we live, and in the economic system which we have, there are legitimate lenders and there are legitimate borrowers. Our particular economic system would probably be in severe difficulty if we reverted to the narrow concepts of the Middle Ages and referred to all those who are in lending institutions or who loan money, whether it be privately in terms of their private friendships or family relationships, or in the commercial world, as a group within the community that are worthy to be the subject of vituperation and attack by either the media, members of parliament, other politicians, or frustrated or antagonistic members of the public. I want to emphasize that almost all of us at one time or another have to borrow money.

I want to re-emphasize the point that I made before the dinner hour. It is my view that this bill, despite a great deal of talk about loan-sharking and some talk about the criminal element in the country, is not likely to do very much to cure

crime in Canada. The real purpose of the bill, as I see it, is to bring about an environment of certainty so that those who do borrow and those who lend clearly understand the arrangement and the deal.

I have a great deal of sympathy, especially with those in a low income position, who often do not have the business experience or sophistication in commercial matters to be able to judge competently when and under what circumstances they should enter into a particular loan transaction.

● (2010)

I said before the dinner hour that one of the suggestions made during the debate was that we should establish, at public expense, agencies which would advise all those who borrowed so that they would not make mistakes. This is probably impracticable because of the amount of borrowing which takes place in this country. I also pointed out that one must consider the philosophic implications of such a course, one which might involve the protection of the public to such an extent that it was difficult for them to exercise any free choice at all; I doubt very much whether the public would thank us for setting up a bureaucracy which, in the end, might be an important factor in determining not only where people could best borrow but whether, in the circumstances, they ought to borrow at all.

It very often happens, in my experience, that when they have no choice but to borrow, people in receipt of low incomes have the determination and capacity to pay back their loans over a long period of time. It is essential though that the environment in which arrangements are made are such that those who borrow know precisely what they are borrowing and what the cost will be.

In his speech, as I also mentioned, the minister commented on the nature of the sanctions imposed against those who offend against the provisions of the bill. These are severe. If I remember correctly, the fine goes up to $10,000, and imprisonment to five years. During yesterday's debate there was some discussion among certain hon. members in the course of which it was suggested that there might not be a jail in the country now which could keep anybody for five years. I know this is not the concern of the minister who is in charge of this bill but it is certainly a matter of concern to some of his colleagues, and to the general public. In any event I did point out that in considering these criminal sanctions we have to bear in mind that there are many people who are not part of any powerful financial institution, and who are not lending as a business, but who occasionally make loans to friends and relatives. These people too will have to pay attention to the law and bear in mind the complexity of its provisions, a situation which could lead to some obvious injustices, and results which no hon. member would desire. In this regard I would draw attention to clause 37 of the bill in which offences are dealt with.

We ought to be very careful when we introduce what amounts to criminal legislation in statutes which are outside the Criminal Code. One of the cardinal rules of British criminal justice is that before a person can be found guilty of a criminal offence there must have been intent, or, in the words of the Latin scholars, *mens rea*. In other words, the person concerned must have had the intention of acting contrary to the law. Well, clause 37(1) reads as follows:

> Any person who (a) stipulates for, demands, exacts or collects from a borrower a credit charge in respect of a lending transaction at a credit charge rate that exceeds the rate prescribed by the regulations for the purposes of this paragraph that was in effect on the day the transaction was entered into . . . is guilty of an offence and liable . . .

—liable to a fine or to imprisonment, or to both. I would point out there is nothing in this clause which requires intent to do wrong.

The minister is again with us this evening and I say to him once again that this aspect of the legislation should be considered seriously because many people who may make one loan in their whole lifetime to a son-in-law, niece or daughter, or to some other relative, will be caught by the provisions of the act and they could easily stumble into the most innocent mistakes having regard to the complexity of the measure. I believe all of us should be deeply concerned that we do not frame the sanctions in such a way as to bring fines and impose penalties for an innocent mistake on the part of someone who did not knowingly commit any offence, penalties which are not really related to any crime at all. I note, in this regard, that in the offences section, 37(b), the draftsman has gone back to the concept of fault because he says: "Any person who for the purpose of avoiding compliance with this act or the regulations . . ." and so on. Here we are looking at something in the proper criminal sense and, of course, I have no objection to that.

On the question of the criminal aspects of the bill I would say there are about 44 clauses in it, and in about 20 of them the law will not be clear until we see the regulations which the minister proposes to promulgate at some future time. It does not take much imagination or understanding to realize that when we get into a bill which has criminal overtones and, in some cases, substantive criminal provisions, it is extremely dangerous to be passing criminal legislation in a measure which is outside the Code and where delineation of offences depends upon regulations to be passed at some future date, regulations which might well have to be changed from time to time depending upon circumstances. I raise this point not as an attack upon the bill per se but as one it would be appropriate to consider when we get into committee.

Mr. Abbott: I should like to ask the hon. member a question. When he refers to 20 instances in which regulations would have to be passed he is surely not suggesting that there are 20 occasions on which offences would be prescribed?

Mr. Fraser: No, Mr. Speaker, I said that out of 44 clauses there are 20 which would require regulations and that some of those regulations will establish a situation which requires those affected by them to act in a certain way, breach of which would result in the commission of criminal offences under the act. From a question the minister was asked it does appear he is quite aware of the problem, and I am sure we will have his sympathy in committee.

● (2020)

I notice that in an early burst of honesty in his speech yesterday the minister said this legislation is long overdue. That, of course, is no argument for passing this bill in its present form. However, it is a reminder to all hon. members that the government party has been in power since 1963 and that for some reason legislation along these lines has not been introduced until now.

Before the dinner adjournment I gave some statistics showing the changing amount of credit in the commercial world in Canada. The minister made reference to another reason for bringing in the bill, and that was that the criminal or near criminal elements have, in the minister's opinion, been taking advantage of the law as it is now and as it will remain unless this bill changes it. I think it is very important that during committee hearings we have the widest ranging evidence possible on this particular aspect that the minister claims is of concern to him, as I am sure it is, as well as other matters.

The bill reaches into what is essentially a very complex part of the economic community and will have effects that probably will not become clear, in some cases, unless the people intimately connected with the day to day workings of the commercial, financial, and lending world are brought before the committee. It is my hope that the committee, with the minister's concurrence, will be generous in the matter of bringing before it the witnesses that are required. I see that the minister is nodding to indicate what seems to be, at least at this moment, general approval.

The minister and others on the government side, in the speeches which have been made so far, have said quite a lot by way of reinforcing their assumption that this bill is completely constitutional and lies entirely within the ambit of federal jurisdiction under the British North America Act. It may, Mr. Speaker, but then again it may not. Speakers for the government have emphasized that it is, Mr. Speaker, but I would draw to the minister's attention the fact that clause 8 of the bill seems, at least on the surface, to be in conflict with section 2 of the Ontario legislation, which is the unconscionable transactions relief act. If I remember correctly, there has been litigation on that particular statute but it has been found to be valid provincial legislation. While it is one thing to say that this bill deals with interest—although there are new words for that in the bill—and that it is clearly within federal jurisdiction, I point out the bill also deals with contracts and with the question of property and civil rights, so I put forward the caveat that this bill require some careful consideration in committee.

Clause 8 of the bill deals with the method by which the court, upon application by a borrower, determines whether or not a particular lending transaction is one for which the credit charge is warranted. In the drafting of this particular provision the court is directed to look at five particular considerations in determining whether or not the credit charge rate is warranted. This kind of legislation is unusual for what amounts to establishing what can be a criminal offence. It does not go unnoticed that they are closed categories in that the court cannot look beyond them to something else.

I bring to the minister's attention the fact that in an ordinary real estate transaction in which there is the transfer of a deed to real property and a mortgage back, especially from a private vendor to a private purchaser, often the interest rate and terms of repayment are a factor of price. I would also say to the minister that such is the case with agreements for sale of land in some provinces, certainly in the province of British Columbia. I would ask the minister to consider that question as it will be raised in committee. Our concern here, of course, is that we must be careful not to draft legislation that restricts the court from considering every aspect that should be taken into consideration in establishing what is proper and fair.

In his speech yesterday the minister said that the object of this whole exercise, among other things was:

> —to require a full, uniform and comprehensible disclosure system so that the consumer, before he enters into a deposit or borrowing transaction, will know all his rights and the obligations he will have to bear.

I think that, more than anything else, is the thrust of this legislation. However, I point out to the minister that out of 44 clauses we seem to have 20 cases that will require regulation in order to clarify the meaning of the legislation. I hope that during committee hearings the minister will agree with us that some of what he plans to place in the regulations would be appropriate to place in sections of the statute.

In his speech yesterday the minister also illustrated the effect of different interest rates on loans which apparently have the same face value. The minister took a number of examples. On a $4,000 loan with a declared rate of 12 per cent per annum, depending on deductions from the loan for various charges and other things, you could end up, Mr. Speaker, with a different interest rate. This illustration appears at page 635 of *Hansard*.

As his first example the minister took a loan of $4,000 with no deductions. At the end of three years the borrower would pay $4,782.96, an effective interest rate of 12.68 per cent per annum. Then the minister illustrated higher deductions from the borrowed amount. In one case there was a deduction of $50 for insurance and registration. In other case it was $250 for registration, insurance and legal fees. In yet another case it was $650 for life insurance, registration, legal fees, finder's fee and bonus.

● (2030)

Keeping away entirely from the aspect of provincial registration fees and other things over which a particular lender has no control, the fact of the matter is that when you get items which are deducted, such as the cost of life insurance and other things, those are of clear advantage to the borrower and it makes the example which the minister put forward a little dubious because, after all, if somebody is using part of the borrowed money to take an advantage, then of course it is going to change the interest rate on the balance outstanding after the advantage deducted has worked to the benefit of the

borrower. That is something that should be taken into consideration just so as to keep everything here in perspective.

The minister said the following in his speech yesterday, as reported at page 636 of *Hansard*:

> Following passage of this bill, it will be our intention to mount a comprehensive program to assist low income borrowers in the marketplace.

I do not know quite what the minister has in mind, and I think that while that does not seem to be an aspect of the provisions of the bill, it seems to be a statement of intention on the part of the minister relating to what will be government policy in his own department.

I think that before the debate is over it would be appropriate if speakers on behalf of the government enlarged a little on the bill at second reading to let us know what the government has in mind because those words can be innocuous enough until we start to find out, as we may well do, that the comprehensive program to assist low income borrowers in the market place may indeed be the structure of a whole new bureaucracy. We have no idea what this involves, and while I think that many of us have some understanding of some of the problems that the minister is concerned about in this bill, we have considerable sympathy for trying as much as is reasonable and possible to educate people not to make foolish mistakes in entering into long obligations. Nonetheless it is important that we know exactly what the minister has in mind. It may well be—I can only say this in speculation—that his department already has decided that if this bill becomes law it will be necessary to have a very extensive and quite possibly expensive counselling service across the country so that people can cope with the bill. If that indeed is the result that the minister foresees, then the bill will have to be looked at most carefully, and I invite the minister to consult with some of his colleagues and let us know before this debate is over just exactly what he has in mind.

I want to emphasize again that this party supports this bill in principle. I think that in the remarks which all hon. members have heard from members on this side of the House concern has been expressed that the bill be efficient, effective, fair and that it works. In this spirit may I say that I hope that some of the comments that I have made tonight will be considered by my colleagues on all sides of the House, and I look forward to working with all our colleagues in committee as this bill is given more careful and appropriate examination.

Mr. F. A. Philbrook (Halton): Mr. Speaker, I would like to thank the previous speaker, the hon. member for Vancouver South (Mr. Fraser), for his usual fair and intelligent if somewhat lengthy approach to this particular subject.

Mr. Fraser: It takes time to make sense.

Mr. Philbrook: Even more so I wish to congratulate the present Minister of Consumer and Corporate Affairs (Mr. Abbott), as well as his two predecessors, for a highly successful effort in drafting a piece of legislation which offers such comprehensive protection to the Canadian consumer in search of financial assistance. It has been some time now since this legislation was first proposed to us, but I think the end result has fully justified the wait. It is clear that no effort was spared to obtain the views and assistance of experts in this field—from police authorities, to lending institutions, to the borrowers themselves. Under this legislation the borrower will be provided with the best possible protection, but at the same time without any interference in normal, legitimate financing practices.

It has been noted already in this debate that outstanding consumer credit went from $835 million in 1948 to $8.6 billion in 1967, and amounted to almost $24 billion in 1974. As this has been going on there has also been a concomitant rise in interest rates. This is as it should be; the laws of supply and demand call for it. This legislation is very timely, therefore, because as more and more people borrow money they must have an assurance that the laws of supply and demand work with them rather than against them.

Borrowers are usually very vulnerable people and are easily taken advantage of by unscrupulous lenders. The normal relationships between supply and demand can tend to be distorted therefore when a borrower needs a lender more than the lender needs the borrower. Thus every precaution must be taken to help maintain an equitable balance between these two parties. The borrowers and depositors protection bill does just that.

On the one hand this legislation provides straightforward legal sanctions against usurers and loansharks who prey on people who are often desperately short of money. On the other hand it enables the consumer to protect himself, by providing greater access to information regarding any such financial transaction. Together these dual roles will maintain the crucial balance which permits the relationship between supply and demand to work most efficiently and equitably.

I believe these two functions are of equal importance to the effectiveness of the legislation. I shall leave it to others to expand on the merits of the latter, concerning increased availability of information to the borrower. Instead I wish to focus my discussion on the specific means proposed to do away with one of the most despicable practices of our society.

This legislation is intended to replace the present concept of fixed ceilings on interest rates with three distinct rate categories: normal or "legitimate" rates; "unwarranted" rates; and "criminal" rates.

Presently the vicious business of loan sharking is, in a sense, indistinguishable from the more subtle practices of "expensive" lending firms or the entirely legitimate terms of a reputable financial institution. All are equally legal under today's inadequate usury laws—at least in so far as their monetary transactions are concerned. While the Small Loans Act, for example, sets a maximum interest rate of 24 per cent per year on loans of less than $1,500, the lender can charge any interest he wants, no matter how exorbitant, on loans above $1,500. Moreover, even when violators of the Small Loans Act are caught, the fines are too small—compared to the usual yield of the loans themselves—to provide any kind of deterrent.

The borrowers and depositors protection bill rectifies this incongruous situation through its differential rate structure. By establishing an "unwarranted" rate category, this legislation draws a clear distinction between legitimate interest rates on personal loans as determined in a competitive market and rates which are unnecessarily high. As the minister has explained, the "unwarranted" rate enables the borrower to take recourse against credit terms which cannot be justified by the nature of the risk involved—as in the case of especially low-risk loans—or by prevailing market conditions.

The "criminal" rate category, meanwhile, is directed specifically at loansharks and userers who run clandestine operations and who charge far more exorbitant rates than even those in the unwarranted category. Conviction for this type of offence would incur a realistically stiff penalty of up to $10,000, and two years in jail under the proposed legislation.

● (2040)

It has been the contention of some members of the opposition that, even with a criminal rate, the borrower is still not given adequate protection because the rate shall be set too high. To make such a claim is to ignore the need for flexibility in setting interest rates according to appropriate criteria, such as risk and duration, and to display a serious misunderstanding of the intention of the legislation as a whole. It is not a set of artificially conceived interest rates divorced from the realities of the market place, but a comprehensive, integrated program designed to bring social and economic priorities into balance. Caution must be taken not to let the criminal rate interfere with legitimately high rates. The range of legitimate rates will be made evident from the combined factors of full disclosure at the time a loan is made, the unwarranted rate range, and the new provisions for penalty-free prepayment on outstanding debts.

May I dwell for a moment, Mr. Speaker, on this last factor, the prepayment of loans? Quite simply, this provision will allow a borrower to repay any non-mortgage loan, in part or in full, before the allotted time has expired, without having to pay a penalty. This means that the borrower will only have to pay for funds for as long as he borrowed them. Here again the internal logic of the market place is reinforced as the borrower is released from unrealistic constraints and is allowed to move freely from one lender to another whenever and wherever more favourable rates can be found. This will have the inevitable effect of making the cost of borrowed money more elastic and will force lenders to police themselves so that they may keep rates down to competitive levels.

There is yet another major innovation provided in this bill which is designed to bolster the borrower's bargaining position and, thereby, provide him with more effective means to protect himself. This is the reversal of the present principle that the burden of proof rests with the borrower in loan disputes. Instead this bill would place the onus on the lender to prove that his interest charges were not unreasonable. In this fashion we can expect borrowers, who until now have had to fear reprisals and legal fees, to stand up and expose the usurers at whose mercy they have been for too long.

Once again, the net results can be none other than increased self-control by the lender and more reasonable rates for the borrower. With an estimated annual return of about $3 billion, loansharking has become the second largest source of income for organized crime after drug trafficking. Because the loan shark tends to prey on the poor, however, few of us realize just how big a big business it really is.

Let us look at some more startling statistics. According to revelations made at the Quebec inquiry into organized crime, 1,496 counts of shylocking were made under provincial laws and the small business loans regulations in 1973. This amounted to $3.5 million in loans and, according to inquiry officials, approximately $35 million in profits. Most startling of all, this amount was accumulated by only the 29 people who happened to be brought to justice, representing somewhere between 1 per cent and 5 per cent of the estimated total number of loan sharks operating within the Montreal area alone. This is not a very good conviction rate.

Perhaps even more dangerous to society as a whole than loansharking itself is the fact that it fosters and provokes many other forms of crime. People victimized by loan sharks can themselves be driven into criminal activity. When a borrower is terrorized with violence for defaulting on payments, he or she often chooses to push drugs, or counterfeit money, rob, or turn to prostitution; anything becomes preferable to dismemberment or death.

Along the same lines, loan sharks are a common source of funds needed for illicit purposes, such as the purchase of stolen or illegal goods, which a reputable lender would never provide. It is quite evident therefore that the effects of loansharking go well beyond the crimes perpetrated by the loan shark himself.

Just this morning on the front page of the *Globe and Mail* I noticed an article which speculates about the growth of yet another crime syndicate, this one in the Toronto-Hamilton area—my area where I am aware of certain concerns. What is one of their main activities? Loansharking. What are some of the consequences reported? Three deaths, an OHIP swindle amounting to about $150,000 and, most frightening of all, some curious connections with officials of the Ontario government.

If this bill does not pass with its strongly anti-loansharking provisions intact, police authorities will continue to be frustrated in their attempts to break a most vicious cycle of crime which is fueled by such activity. The loan shark will continue to prey on the most disadvantaged and those who are least capable of getting out of debt. He will continue to discount UIC cheques and welfare payments at a fraction of their cost from those who can least afford to lose them. In a more general sense, he will continue to terrorize all of us as organized crime grows into a bigger and bigger big business.

If this legislation is passed, however, we shall witness some much needed changes in the nature of borrower-lender relationships in this country. When artificial rate ceilings are

removed and the equity of competitive rates reinstated, we will have reduced much of the need for borrowers to turn to, and support, socially undesirable sources. Let me emphasize once again therefore how this bill can be expected to have far-reaching effects, not only in bringing the usurers to justice, but in reducing related crimes in other areas as well.

Neither I nor the government wish to discourage borrowing. It is an accepted way of life in the modern age, and it is generally regarded as a good and proper means of maintaining growth. Of late, however, we seem to have reached a peak in borrrowing. With interest rates steadily on the rise and the uncertainties about the furture brought on by inflation, consumer borrowing has actually begun to diminish slightly since the summer of 1975. I believe it is the responsibility of this House to assure the consumer that he can borrow money for legitimate purposes from ligitimate sources without having to worry about hidden fees, disguised costs, and perpetual indebtedness. The consumer should be allowed to borrow intelligently, so that he may feel confident to spend whenever the need arises.

Consumer spending would help the recovery this year by promising retail business and, consequently, industrial production. Consumer borrowing would contribute immensely to the recovery process as long as it is channelled properly, according to the dictates of the open market, into proper investments under equitable terms. This bill should do just that.

In closing I should like once again to congratulate the new Minister of Consumer and Corporate Affairs and wish him well in his new career.

● (2050)

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, allow me first of all to say how pleased I was to hear the minister introduce Bill C-16 whose object is to give some measure of protection to borrowers and depositors. This bill is an act to, and I quote:

provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act to amend certain other statutes in consequence thereof.

Mr. Speaker, I did say "some measure of protection" because, on reading the bill, I find that the government avoided attacking the root of the problem, namely excessive interest rates which are the major cause of the inflation we know today.

In introducing his bill, the minister is disconcertingly timid when he says and I quote:

I would not wish to leave the impression that Canadians are ill-served by the overwhelming majority of their lending institutions. Our banks are rightly acknowledged as some of the largest and best run in the world.

He could at least have added that they are also among the most favoured and protected in the world by their governments. If the minister is really convinced of that, why then did he ask his civil servants to think out and draft such a bill? The fact that the act has not been revised in 20 years does not necessarily make it obsolete, as the minister claims.

If it has become obsolete, it is because of the tolerance and "laissez-faire" attitude of succeeding governments in an effort to serve, first of all, big finance. Also, the taxpayers were left completely at the mercy of loan sharks whose pecuniary appetites are never satiated. Today the government discovers that consumers are too much in debt. That discovery comes at least 20 years too late since, from 1947 to 1975, personal debts increased three times faster than personal incomes.

How can we hope, with a timid piece of legislation such as this one, to keep afloat consumers as a whole who are sumerged under this nountain eh debts? I say this bill is only a gleam of hope, which might be the last one, with which we lure the Canadian people to enable them to avoid being in the most complete deficit situation.

Let us talk a little about the interest paid on deposits and about the way to figure out this interest. I think not a single bank gives the same interest rate on deposits in savings accounts and the way they pay this interest is still worse. To do justice to depositors the interest should be calculated each month so that if a depositor withdraws money occasionally, this is not reflected on the interest for the other months. We must keep in mind, and the people as a whole should be well informed in this regard, that these savings accounts of the workers build up the reserves of chartered banks. According to the Bank Act, the banks have the power to increase the value of these savings five times and to lend the total at an 11 and even 12 per cent interest rate.

In brief, if the bank agrees to open a savings account for a depositor, every $100 deposit he makes allows the bank to lend $1,500 at 10 or 11 per cent, and even at a higher rate sometimes, to a potential lender. In other words, the bank will pay the depositor $8 in interest while on that same $100 it will be able to get up to $160 in interest. So every $8 spent in interest by the chartered banks brings in $160. And then the banks tell us that money is expensive for them. Worse still, these same banks try by every possible means to reduce the depositor's interest. Therefore, I say that in addition to proposing a uniform interest formula, this bill should also provide that interest in the accounts—being in fact the bank's legal reserve—be paid each month.

Let us come back now to the lenders who have been given free way over the last few years. What else could be expected when the example came from the top? Everybody remembers that when the Bank Act was last amended the Liberal government removed the interest ceiling for chartered banks. Chartered banks—the most important institutions in Canada—are now allowed to ask any interest rate they want simply because the government has suppressed the interest rate ceiling. And after such an aberration, we wonder about the inflation rate.

Mr. Speaker, I said it time and again in this House that inflation started when the government removed all restraints to banking operations. You know very well, Mr. Speaker, that when a bank is permitted to charge rates of 10 and even 12 per cent, no lending institution will likely operate below that level. I do not say that I agree with excessive rates practiced by some private lenders but I suggest that we should start from the

beginning. Let us take the bull by the horns instead of trying to hold it back by the tail.

This is why I was saying at the outset that this government was afraid of coming to grips with this problem. It is constantly trying to evade the issue, making people believe that one day—not today and not tomorrow either—the government is going to be logical and tackle the real problems facing the workers. Meanwhile, through Bill C-16 it will try to cool off the small lenders who, as we all know, are taking unfair advantage of the consumers.

Bill C-16, dealing with prepayments, has a clause according to which a borrower who wants to make a prepayment is not liable to any penalty when he comes to pay the total amount outstanding under the transaction. For example, say a finance company makes a loan repayable over 36 months, and the borrower finds a way to pay back within 10 or 12 months. Why should the borrower have to pay interest for 36 months or even for 5 or 6 months more only because he wants to get rid of his debt? We should not forget, Mr. Speaker, that when the lending institution gets full prepayment from the borrower, it can lend this very amount on the following day and for months get double interest on the same loan. And the government was well aware of these legal thefts. Why did it tolerate them? The other governments were also aware of them. Why have they tolerated them during the last twenty years?

Another sad situation, like the minister indicated, is the widespread practice in Canada of lending money on welfare cheques or tax refunds. This practice is quite widespread in areas of high unemployment and welfare. It is very natural for a family man who has four or five children to feed and who has to wait for his unemployment cheque for one and maybe two or three months to try to find some money somewhere. This is quite natural. He must find money to feed his family. When a man who is unemployed comes to see me and I read on his benefit card "Case under study", I know that the situation is serious, Mr. Speaker. For weeks and weeks it is written on top of his card "Case under study". I wonder if the minister, who gives overly strict orders to his officials when he demands lengthy investigations like those that are still being carried out for forest workers, is well aware of the damage that he is doing to these family men.

I have just learned that in a case which has come up in the last few days, a delay of eight to ten weeks in the payment of benefits was caused by the fact that the official must enquire personally from each forestry employer to ensure that the beneficiary is really entitled to the stamps. Mr. Speaker, nothing could be more ridiculous. We shall soon need an army to go through forestry sites to check if such or such a forestry worker is entitled to unemployment insurance. This is shocking! That is why forestry workers must go to pawnbrokers to whom they will sometimes give up to one third of their benefits to feed their family. Who must we blame, Mr. Speaker, in such circumstances?

Before putting the blame on lenders, I must put the blame on the minister because of his restrictive laws whose impact is amplified by regulations which are even more restrictive. Thus, we can wonder if the Unemployment Insurance Act was not made in the first place for civil servants so that the greatest number of people could work in the civil service. Sometimes you feel that the unemployed is considered a criminal because he cannot find a job. His family will be left to vegetate and his children will be in danger of getting ill. I could give similar examples about welfare recipients who are obliged to call upon such lenders as are mentioned in Bill C-16. In the case of income tax refunds, the situation is also quite bad. Some people are waiting for their income tax refund cheque and must borrow money to pay their debts.

Mr. Speaker, I cannot understand why a responsible government cannot take the necessary measures so that everything could be done in time. However, we feel that the number of employees is quite sufficient. To my mind, they are so numerous that they create a state of confusion and quite often the cheques are lost because we have too many civil servants.

To sum up, I would say that all these cases are due to bad management by the departments concerned. These lenders could not survive if the government could better understand the social problems and if it were more conscious of its responsibilities. Finally, I would like to come back to the subject of mortgage loans. I wonder why the minister makes a difference between ordinary loans and mortgage loans when it comes to prepayments. I cannot understand why insurance companies or other lending institutions that grant mortgage loans would punish a borrower who wants to repay his loan.

Maybe somebody will tell me that it is because the lending company had to make a contract or raise mortgages, but we should not forget that it is the borrower who pays, it is not the company, all the costs are to the borrower. I could understand the situation if the lending insurance company had to respect the original interest rate. But, every five years, the companies have the right to increase their interest rates so that a loan granted at a rate of 6 or 7 per cent a few years ago can reach an interest rate of 10 to 12 per cent according to the whims of the lending companies.

And this is done with the blessings of our governments. The ony apology the minister gives us for his apathy is that, because of the particular nature of mortgages and of the mortgage market, he can do nothing but accept the present situation. Did anybody take into consideration the excessive profits of insurance companies? Did anybody wonder where these companies took the money to build their huge skyscrapers? From the pockets of those who will be all their lives the victims of those companies.

Those lending companies cling to their customers as leeches cling to their victims. They set insurance premiums, the amounts of municipal rates, school, taxes and all through the year they collect them and hand them over at the very end of the year and often two months late. What do they do with the money they collect each month? They lend it for 12 months and draw the interests and thus all those interests are added to the interests levied on mortgages. The government does not want to legislate in those fields. Is it an accomplice or does it merely ignore what is going on?

Mr. Speaker, we approve Bill C-16 and hope it will be referred to the committee of the whole to make the necessary amendments and make it more acceptable and more effective for all Canadians.

• (2100)

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, this Bill helps carry out, with certain important exceptions which I shall mention shortly, the key plank in the election platform on which the Liberal party fought and won the election of July, 1974. The fact that the bill came some 2½ years after that election makes it no less welcome. It represents a long overdue and greatly needed reform and updating of federal law dealing with consumer credit.

I am pleased to see the bill since the carrying out of such a reform and updating of federal consumer law was an initiative I announced as minister before the 1974 election, and work on this was under way as the campaign began.

• (2110)

The bill has many desirable features. For example, two were stated in the 1974 election platform in these terms: "Legislation requiring disclosure of the effective rate of interest in all interest-bearing transactions" and, "Legislation allowing the buyer to pay off residential mortgages during the first five years of the agreement without excessive penalties." However, the many desirable features of the bill were outlined by the minister is his speech opening the debate on second reading, as well as in the material he released at the time the bill was first tabled in the House a few days ago. Therefore I do not intend to state them all again at this time. However, I do want to make some comments and raise some questions about some of the things that are in the bill and, more important, about some of the things that are not.

My purpose is a constructive one. My aim is to help ensure that by the time it is adopted the bill is the best one possible and, therefore, the kind of legislation that Canadian consumers are entitled to get from their federal government. In spite of all the good features of the legislation I do not think a case has been sufficiently made as yet that it is already at this level of achievement.

It is good to know that the bill will require a lender to inform a consumer of the true total cost of a loan and that the lender must include it in the total credit charge. However, the question remains as to whether the bill deals in the best way with the problem of excessive credit charges, of excessive interest rates. The bill proposes the repeal of the Small Loans Act with its ceiling on interest rates charged on loans of less than $1,500. In its place it proposes that there be what in effect is a maximum permissible ceiling set by regulation—the criminal rate of interest—and that any rate below this is acceptable unless a court rules it is unwarranted. The minister has not yet said what this criminal rate will be. I gather it is intended to be very high. I understand that a rate of at least 70 per cent per annum is being contemplated.

An hon. Member: Shame!

Mr. Gray: All this means that the only recourse a consumer will have if he is charged a rate which is high but below the very high criminal rate is to ask a court to rule that it is unwarranted, or not to pay it and wait until he is sued, at which time the lender will have to prove that the rate is not unwarranted.

The act also says that the borrower can pay off the loan at any time, assuming of course that he is able to find the necessary funds at a lower rate. However, this latter opportunity also has its limitations and problems which I will refer to in a moment. Frankly I do not think that it is totally realistic to expect the average consumer-borrower who does not like the rate he is being charged for a transaction to have recourse to the courts as his basic form of relief. We are talking about people who, in many cases, are of low income, of limited education, and who are hesitant and unsure of themselves when it comes to dealing with large organizations, whether they be business or government. They find, as do most Canadians, our court system to be forbidding and unknown territory which is difficult and costly to enter or to leave. The bill does nothing to remove these legitimate kinds of concerns.

The borrower can apply to a court to review the transaction and to ask that the credit charge be declared unwarranted. But to what court can he apply? According to the bill it will not be to a small claims court with its relative lack of paper work, formality and cost. Instead he will have to apply to a county court or some other superior court, with all this means in terms of red tape, formality and expense, including the practical necessity of having a lawyer.

The borrower can cease his payments and wait until he is sued for payment, hoping that the court will say the lender has not discharged the onus the bill will put on him to prove the rate is unwarranted. However, the borrower will them have the often frightening experience of being served legal papers and going into the unfamiliar environment of the court system, with the cost of legal representation and so on.

The burden of proof, the onus, may be on the lender to prove the rate is warranted. However, this does not mean that the burden can never be discharged by the lender and that the court will always, or even generally, find in favour of the borrower and will declare the rate to be unwarranted and, therefore, not payable. The proceedings in question will be civil and not criminal in nature. This means the lender will not have to prove his case beyond a reasonable doubt, as he would in a criminal case if the onus of proof were on his shoulders. The benefit of any doubt will not, therefore, have to be given to the borrower, as has to be done for the defendant in a criminal case. All the lender has to do is to prove his case, as the bill says, "to the satisfaction of the court," which I presume means discharging the burden of proof in civil cases, proving his point on a balance of the probabilities and in the light of the factors set out in the bill in this regard.

It may well be that the judges will not find it difficult in many cases to do this after looking at such factors as "the cost

of funds to the lender at and about the time the lending transaction was entered into;" "other costs to the lender of doing business that are reasonable having regard to the nature and scale of business of the lender;" and, "the degree of risk assumed by the lender having regard to the nature and value of any security provided, and the age, business capacity, financial position and mental and physical health of the borrower", and they will find the lender has proved his point.

The protection the bill promises the unwarranted charge concept will bring may well prove to be an illusion for many borrowers once it becomes law, especially those who now benefit from the maximum ceiling rates under the Small Loans Act for loans under $1,500. The minister in the speech in which he opened this debate talked about the limited protection now given by the Small Loans Act, pointing out that it does not apply to loans over $1,500. He pointed out as well that the total amount of loans made under the ceiling has been steadily declining in recent years. This may well be generally true. However, there are still very substantial numbers of people obtaining loans under the $1,500 ceiling and therefore benefiting from the approach of the existing Small Loans Act.

The latest report of the Superintendent of Insurance on the operations of small loans companies and money lenders licensed under the Small Loans Act is for the year ending December 31, 1974. The report states that in 1974 there were $412,204,415 in loans made under the $1,500 ceiling involving a total of 647,739 accounts. The minister said in his speech that only $296 million was lent in 1974 under the Small Loans Act ceiling. This does not appear correct from my reading of the 1974 report. Perhaps he will explain this discrepancy when he winds up the debate.

What will happen to the more than half a million people who apparently have been benefiting from the step rate and ceilings approach of the Small Loans Act, if this bill is passed in its present form? They will be left to what may turn out to be the illusory protection of the unwarranted rate concept with which the government proposes to replace what presently exists. We have had something like the unwarranted rate concept in the unconscionable transactions relief acts that have been in place for many years in most if not all of the provinces. The fact is, however, that they have been rarely used by consumer borrowers and, when used, rarely found beneficial by them. Also, what is to prevent a lender or a group of lenders from having an informal black list of people who have gone to court to complain that a credit charge is unwarranted? Will someone who asks a court to declare a credit charge unwarranted ever be able to get a loan again from the lender in question, or any lender? The bill does not deal with this particular problem that could be created by the unwarranted rate concept it proposes.

I think it is somewhat unreal and impractical to expect most borrowers faced with excessive credit charges to go on their own to the courts in order to take advantage of the new provisions in the bill, supposedly for their greater protection. In the bill the government is not proposing any mechanism of its own to initiate and present applications for relief on behalf of borrowers, not is the government proposing to help pay the cost of such court action where a borrower goes to court on his own. Also the government is not proposing any mechanism of its own to defend the borrower or help the borrower bear the cost of defence where the borrower is taken to court for refusing to pay unwarranted credit charges.

● (2120)

To be meaningful, the unwarranted rate concept must require the administrator appointed under the act and his staff to act on behalf, at the very least, of low-income borrowers, to bring action on their behalf before the courts or to defend actions for the purpose of having the court rule the credit charge in question unwarranted. In any event, the minister has not in my view as yet sufficiently made the case for the total abandonment of the step rate ceiling approach of the present Small Loans Act. The fact that the $1,500 ceiling and the rates set out in the act may be out-of-date does not mean the concept as a whole should be totally abandoned. Instead this is simply an argument for raising the ceiling and providing a new formula for setting acceptable interest rates.

The Royal Commission on Banking and Finance, the Porter Commission, did not propose removing the ceiling. The special joint committee of the Senate and House on Consumer Credit—The Croll-Basford Committee—did not recommend removing the ceiling. Instead after careful study they both recommended raising it to a more appropriate level—which at the time of their reports they said should be $5,000 rather than $1,500—and also modifying the allowable rates of interest.

One co-chairman of that special committee is now our distinguished and capable Minister of Justice (Mr. Basford) in this government which has presented the bill we are now debating. It seems to me that the point of view of his famous report on consumer credit, on the desirability of the ceiling system for small loans, still has validity today.

Also let us look at the Liberal election platform of 1974. This platform did not propose removing that ceiling. The Consumers Association of Canada now has urged that the maximum rate and ceiling concept of the Small Loans Act be maintained. Proposals in this bill to eliminate that approach must be carefully examined to see if they will, in fact, achieve the objectives claimed for them of providing greater access to credit at more reasonable rates for borrowers, while providing them with easy access for relief if they accept unwarranted rates.

However, this bill does nothing to ensure that the low income borrower who has in the past found it difficult to obtain credit from legitimate institutions, will not continue to be forced into the hands of loan sharks rather than getting that credit from legitimate lenders. The bill does nothing to ensure that the borrower, who found it difficult in the past to get credit except from companies licensed under the Small Loans Act, will, when this bill is passed, get credit on terms as favourable as those now provided for loans under the act, either from small loan companies or other credit granting

institutions. The minister in his speech on second reading said at one point:

> That is why we propose the repeal of the Small Loans Act. Instead we are proposing a strong and comprehensive set of protective devices applicable to all forms and levels of consumer credit so that consumers will be assured of access to loans bearing fair and reasonable credit charges.

At another point in that same speech he said:

> —I would remind the House of the prepayment privilege and the unwarranted rate provision. A low income borrower who is a good risk—and many of them are—is entitled to get a rate that takes that fact into account. His credit rating may be as good and perhaps better than that of higher income people, but because he is ill-informed, timid, or a person alarmed by forms, he will tend to avoid institutions which will gladly deal with him. Now this borrower can go freely to any institution, obtain a loan at rates commensurate with his true credit risk, and prepay the higher rate loan he is carrying.

However, in spite of the impression conveyed by these words, if the bill simply is passed in its present form, no lender will be obliged to make any loan he is not obliged to make now, and lenders have never been obliged to make loans. No borrower will have any greater right to obtain credit, to obtain a loan, after the bill is passed than he has at present.

The bill adds nothing by way of any absolute assurance that individual consumer borrowers, who consider themselves sufficiently credit worthy to obtain loans at reasonable rates, will ever get them. In fact totally absent from the bill is a pledge made quite explicitly in the 1974 Liberal election platform which said:

> The Liberal policy includes . . . plan for a low-income insurance plan to help establish credit for low-income, steadily employed wage earners.

We need explanations as to why the program promised in the 1974 election platform is not in the bill right now. We should have the government's commitment, before the bill finally becomes law, to the early creation of such a program. If this program comes in the form of federal government guarantees against loss for loans made by financial institutions to low-income, steadily employed borrowers, there would be no valid argument that such a program would be too costly to the public treasury. However, such a program would help fill a need the bill really does not deal with adequately.

The minister's second reading speech said:

> In placing this bill before the House, I would not wish to leave the impression that Canadians are ill-served by the overwhelming majority of their lending institutions.

I suppose it is generally correct that these institutions are of good quality in comparison to much of the rest of the world and that they do provide adequately for the needs of many Canadians. But having said this, the question remains, if it is true as the minister says in his speech that the "police estimate that loan sharking has become a $3 billion a year business in Canada" why should this be the case? Why should a business of this size have developed? If our lending institutions are doing as good a job as the minister says, why do so many Canadians feel that they must turn to loan sharks in order to fill their needs for credit? Why do so many apparently feel that loan sharks are more accessible than our much vaunted financial institutions? Neither the bill nor the minister's speech gives us any real answer to these key questions.

However, the high degree of recourse by consumer-borrowers to loan sharks as described by the minister leads to the conclusions, in my view at least, that there is something necessary in the field of consumer credit that our legitimate financial institutions are not doing. There is a gap they are not filling. To fill this gap calls for early co-operative action both by financial institutions and the government, with the government showing leadership in filling the need of low-income borrowers. This involves not only a special lending program of the type outlined in the election platform but also a new, wide-ranging program for consumer education on the wise use and choice of credit. Such a program has not yet been proposed either in the bill or in the minister's speech on behalf of the government.

An aim of the bill is to enable strong action to be taken against loan sharks. The criminal rate concept, the requirements for record keeping, prohibition against oppressive treatment and harassment of borrowers will all be helpful for this purpose. However, something is missing from the bill which is very important when it comes to dealing with loan sharks. It is something which is also very important for dealing with lenders who do not exactly fall in the loan shark category but whose practices can be described as questionable if not as being downright unscrupulous.

What is missing from the bill is the concept of licensing. The 1974 Liberal election platform promised:

> —legislation requiring federal registration of all money lenders not already registered who lend to individuals.

Not only has this promise not been carried out in the bill but the bill actually proposes the elimination of those requirements already in our law for the licensing of small loans companies and money lenders as defined in the Small Loans Act. No explanation has been given, not only for the seeming abandonment of that 1974 election pledge, but also of the licensing provisions we already have. Licensing procedures can be an effective way of ensuring that those subject to them meet the standards of the law with regard to acceptable conduct in the market place. They can be used to remove from the market place entirely those who have shown through their past conduct that they do not deserve to be there at all. A licensing system provides a basis for cease and desist proceedings and voluntary compliance proceedings that can be quicker and more effective in many instances than having recourse solely to prosecutions which often result only in monetary penalties against the lender with no meaningful direct redress for borrowers.

● (2130)

The bill before us would not prevent anyone from continuing to make loans using questionable or unscrupulous techniques, no matter how many times such a lender were to be convicted under the act or how many times the court ruled the credit charges extracted by that lender to be unwarranted. As long as the lender could find enough unwary customers, it could stay in business.

A licensing procedure authorizing a tribunal to order the removal of the licence after a fair hearing and with rights of appeal could deal effectively with this kind of bad actor in the market place. The proposed law will not only allow them to continue operating, it even removes from the sanction and scrutiny of a licensing procedure those firms now obliged to subject themselves to it under the present Small Loans Act. The lack of a licensing procedure should at the very least, be explained and justified by the government during the course of consideration of this bill.

A simple approach would be to require the licensing, the registration, of all moneylenders not subject to be licensed under other federal or provincial laws. One can agree that duplication of licensing is not necessary. But why remove even the requirement for licensing from those now subject to it under the existing law? Whatever may be said for the authority to be given to the new administrator under the act, that authority is not to exercise a licensing jurisdiction.

The bill gives those harmed through infractions of it the right to sue for civil damages. This is a step in the right direction, but its value is limited. There is the whole problem of access to the courts as discussed earlier. Also, the cost of going to court may not be worth while, even though the interest as a percentage of the loan is very high, if the loan itself is small. The bill provides no right, as it should, for borrowers similarly harmed by a lender or group of lenders to band together through a class action to achieve relief through the courts, something which might not be worth while for them to do alone. The bill also makes no provision for the administrator to take action for damages even on behalf of individual low income borrowers.

In looking at the unwarranted rate concept, it should be noted that a decision by a court that a rate is unwarranted applies only to the case which is brought before it—to the one transaction for which a review is sought. Certainly the same judge, or another, may use such a ruling as a precedent when considering another case. However, a decision that a rate is unwarranted will not be binding on lenders with respect to any other transaction even though such other transaction may contain identical terms. Further individual court actions would have to be undertaken.

Therefore it could well be that the fear of having their credit charges challenged in court as being unwarranted might not have the salutary and self-policing effect hoped for by the government and expressed in the minister's speech. Instead, some lenders might rely on their understanding of the law of averages, expecting that while some of their loans might be challenged as unwarranted, most would not be challenged, for the reasons I have already outlined. Some lenders might well decide to take their chances in the expectation that while a few of their loans and credit charges would be struck down by the courts, any loss involved would be more than made up by excessive and unjustified gains from charging rates which might be unwarranted but which would never be looked at by any court, no matter what the bill in its present form may say.

[Mr. Gray.]

Finally, Mr. Speaker, much of the effectiveness of the act will come not from what is said in the bill itself but rather in regulations, the contents of which have not yet been disclosed to us. There are more than 20 places in the bill where matters are left to be defined and made meaningful by regulation.

I would also point out that the bill would allow even those beneficial features it contains to be made meaningless—to be withdrawn—since, according to clause 31(1)(a) the government may make regulations "exempting any class of lending transactions from the application of this act or of any provision or provisions of this act". In some cases regulations can be made excluding whole classes of institutions from the provisions of the bill. I recognize that delegation to the government by parliament of the right to make and change definitions and details of the application of a law by regulation helps keep that law relevant in the light of changing practices in the market place, but it can also mean that this bill, after it is debated and voted upon, may later turn out to be far different both in form and application from what it is now, before the regulations are finally issued.

The bill does say that before any regulations made under it may be proclaimed in force there must be a reasonable time left to comment on them. That is, no doubt, worth while for groups and individuals in the private sector. But as far as parliament is concerned it cannot be a substitute for knowing the government's exact intentions on the important matters the bill proposes be left to be spelled out in regulations.

Some hon. Members: Hear, hear!

Mr. Gray: I am referring, for example, to the level of the rate of the criminal rate of interest to which sanctions will apply, to the institutions and transactions to be exempt from the act, and the kind of information to be spelled out in advertizing in which credit is mentioned. I say that the government must table a complete set of draft regulations before the committee studying the bill at the outset of its hearings. There can be no meaningful parliamentary debate nor can there be meaningful public input as to the content of the bill without these regulations being before us at the earliest date possible, which I say should not be later than the beginning of the committee hearings.

Some hon. Members: Hear, hear!

Mr. Gray: The material distributed with the bill said it would permit the creation of a national base of data on consumer credit, but the minister in his speech made no reference to this aspect, nor does the measure before us explicitly deal with it. We should hear more about the government's intentions in this regard. How will this data base be created and operated? What does the government intend to do to ensure the right of privacy of borrowers and prevent anyone having access to information about a particular individual without that individual's consent? What will the government do to ensure that any individual can ascertain what information may exist in the data base about him and that any errors

will be quickly and fully corrected? More information on this is required.

My comments and questions have been raised in a constructive way with the aim of securing the best possible legislation for Canadian consumers. This is extremely important since, as has been pointed out, consumer debt has increased from $1 billion in 1947 to $23 billion at the present time and has come to represent 22 per cent of the total disposable income of Canadians. The importance of consumer credit is so great that, to use the words of the Prime Minister (Mr. Trudeau) when he announced the consumer credit plank in the 1974 Liberal election platform, "We feel it is vital to provide the utmost in protection and equity in the field of consumer credit." I believe the bill deserves support on second reading, but in allowing it to pass through the balance of the parliamentary process we must make sure that it does, in fact, provide "the utmost in protection and equity in the field of consumer credit".

Finally, Mr. Speaker, however much, in the words of Edward Fitzgerald in his "Rubaiyat of Omar Khayyam", one would like to "take the cash and let the credit go", the economy we have now, and which we are likely to have in the foreseeable future, does not make this possibility at all likely. Our duty, therefore, is to ensure that credit goes with, and not against, the best interests of all Canadians.

Some hon. Members: Hear, hear!

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, as I rise to make my comments on Bill C-16 I might be excused for feeling a little pity for the minister. It seems that in his new post he has not had a chance to get agreement from all members of his party over there. It is not often that I have to wait when I get up for applause for a member on the government side to die down.

● (2140)

I find it very strange, Mr. Speaker, in fact incredible, that a government that has allowed such high inflation as we have been experiencing in past years should be so worried, as it is now, about high interest rates. While being concerned with high interest rates we find that it has removed the ceiling on interest rates and replaced those ceilings with some unknown rates, to be included in some regulation to be promulgated at some unknown time.

I listened to the minister telling us about his consultations. It is true that there were consultations, Mr. Speaker, but consultation to be meaningful has to be two way. I should like to refer to a letter from the Consumers Association of Canada in which they make reference to discussions with the minister held by several representatives from their association. I think it is significant that this letter is dated October 20, exactly one week before this bill was introduced by the minister in this House.

In their letter the Consumers Association of Canada make reference to several proposals that they want the minister to consider in drafting the legislation. The first matter they refer to is the ceilings. They favour retention of a graduated ceiling on the cost of loans up to $7,500. They are also concerned that ceilings should be set at levels that realistically reflect the cost of lending money. With reference to the unwarranted rate, the Consumers Association has this to say:

> We do not believe that the proposed provision involving an unwarranted rate concept and a seven times prime rate ceiling are adequate substitutes for explicit regulation of small loan rates.

Small loan rates have not been mentioned in any way in any of the material put out or in the ministers own remarks in this House. Apparently, judging from this letter, there was a discussion with the CAC and the minister about a rate, and presumably a seven times prime rate ceiling was mentioned by one side or the other. The prime rate in Canada today is 11¼ per cent, so if we are to have an unwarranted rate seven times that, it does not take very long to calculate that this comes to 77 and some odd per cent interest, or nearly 80 per cent, as one hon. member has already mentioned tonight.

That may sound like a very high figure and the minister has not given us any idea what he plans to do in connection with the ceiling. It might be worth reflecting that the Small Loans Act, which will be repealed if this bill is passed, provided for a nominal rate of 24 per cent per annum. This act was last amended 20 years ago, in 1956, and I suspect that 24 per cent per annum in 1956 was roughly six times the likely prime rate at that time of approximately 4 per cent.

The Consumers Association goes on to suggest that the unwarranted rate system depends ultimately on the ability and willingness of those most likely to need protection to go to court. I will be saying something more about that in a few minuter, Mr. Speaker.

Another concern of the Consumers Association is disadvantaged borrowers. They express concern about the loan sharking problem and therefore favour inclusion of an absolute ceiling for legal interest rates. There is reference somewhere in the material to a criminal rate, but I have not been able to find the term "criminal rate" in the bill and certainly it does not seem to be defined there.

In discussing disadvantaged borrowers the Consumers Association says this:

> In any case, the widespread vulnerability of low-income populations to credit difficulties is by now well known, and should therefore be made a priority target of government policy and program development.

The CAC also favours retention of licensing requirements for regulated lenders, subject to exemption of lenders already governed by existing or future federal or provincial licensing requirements. As we have heard from others in this debate, Mr. Speaker, the licensing requirements will have disappeared with the passage of this legislation.

Some of the other concerns mentioned by the CAC in its letter to the minister are civil sanctions; the definition of "credit transaction", which has not been clarified, Mr. Speaker; non-purchase money mortgages, to which they would like to see attached the right of prepayment without penalty; and finally in the field of federal provincial relations they recommend regular consultation between federal and provincial governments.

What makes this letter all the more incredible, Mr. Speaker, is its final sentence to the minister, as follows:

I trust that you will be giving close attention to our views before introducing the new bill to parliament.

We know that hardly was the letter received by the minister that the bill was presented to parliament. One can only guess that the reason for the sudden introduction of this bill was the government's failure to have anything else of any meaning on the docket of this House.

To underline the disappointment of the Consumers Association of Canada at the ignoring of their recommendations, I should like to refer to their bulletin which is dated the day after the bill was introduced into this House. They have this to say:

It is clear that comprehensive credit legislation to deal with all types of credit transactions is long overdue . . . And we warmly welcome those elements of the new bill which will help to provide greater protection to consumers who borrow and lend money.

They then express some severe reservations, such as the government's proposal to eliminate the limits on interest rates on small loans. They hope that these features will be amended when the bill is debated in parliament. They also consider that the bill allows consumers only limited means to obtain restitution for losses incurred as a result of illicit lending practices. They also make reference to the fact that this is a long and complicated bill.

This important group, the Consumers Association of Canada, is funded by this government in order to bring some ground level reports forward from the consumers of this country, who are the very people that the minister is proposing to help. There is no evidence that he has received any support from the very people at whom he has aimed this legislation.

As speakers on this side of the House have already said, we are in general agreement with the stated aims of this bill. In particular, the minister said that he wanted to protect Canadian borrowers. We could not agree with anything more. Secondly, the minister says he wants to provide more and better information on credit, which is another commendable and long overdue aim with which we totally agree. Further, he wants to eliminate unnecessary complexities and confusion in credit dealings, again extremely commendable, Mr. Speaker. He also wants to define uniform rules to protect borrowers and depositors. That also is fine. We have four important principles with which we are in total agreement.

These aims are given priority in the bill because consumer borrowing has increased at such a high rate, even considering the rates of inflation that have had to be overcome. For example, in 1950 the consumer credit figure given is $1.2 billion, or 10 per cent of personal expenditures. By 1974 consumer credit had reached $20.6 billion and amounted to 26 per cent of personal expenditures in that year. That did not include money borrowed on mortgages on individual houses and condominiums, which money was actually used not for the purchase of the real property but for the purchase of consumer goods. But frequently to borrow on a mortgage on a house is a cheaper way of borrowing than by the conventional financing methods. On average, statistics show that every employed member of the labour force owed $2,250 in 1974.

● (2150)

Despite this dramatic change the Small Loans Act and the Interest Act have not been altered significantly, since 1956 in the case of the Small Loans Act and since 1917 in the case of the Interest Act. These bills remained substantially the same in spite of the Porter Commission of 1964 and the report on consumer credit in 1967 which showed the need for change. In 1975, just about one year ago, the then minister of consumer and corporate affairs said in a speech that there has been serious need for change for a long time.

There has obviously been a lot of thought in the past and it is nice to see that the government is taking steps to make some corrections. One could wonder whom one could blame for all this delay. It is interesting to note that since I was two years old we have had less than six years of non-Liberal government in this country. In other words, for 35 of the last 41 years we have had Liberal governments.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): You were born too late.

Mr. Clarke: I should add that it is likely to change very soon. I do not see how hon. members opposite can sit there and applaud the performance of this government.

I want to deal with some of the complaints of a general nature which we might have in connection with this bill. First of all we find that the borrower is defined as a person or a closely held corporation with fewer than 15 shareholders. However, when we come to the mortgage clauses of this act, namely clauses 14 and 15, the definition of "borrower" is changed to exclude a closely held corporation. Many individuals band together to form corporations, for business dealings or whatever, and sometimes individuals have corporations and the home is owned by a corporation. These individuals will now be denied the rights given to individual borrowers.

The minister has made a big point about the right to pay-off by individual borrowers, but all he has done under the new rules is to allow a complete pay-off of a mortgage after three years instead of five years. The individual borrower always had the right to pay off his loan in full after five years. There has been no change in the penalty payment required in paying off an individual's mortgage—it is still three months.

Another specific type of complaint is found in Clause 31 and it covers the regulations. It is stated that the governor in council may make regulations. We have heard about how many different times the regulations have been referred to in the bill, and I will not try to detail them all, but there are some glaring examples—about six here, I think—in clause 6, with regard to the form prescribed by the regulation, that the information must be filed in a form to be prescribed by the regulations, and the contents must be such information as is

prescribed by the regulations. That has regard to the relevant credit charge.

Clause 7 requires that the lender shall, in a manner and form prescribed, disclose to the borrower such information as is prescribed by the regulations. Here we are again asked to approve a bill which does not tell us the form or how the information should be filed, and it does not say what information is required to be filed. We wonder how one can comply with a statute that does not contain these details and how we can be asked to pass such a bill. In clause 18 we are told of the manner of providing statements to borrowers and that the fee prescribed is to be determined by regulation.

Clause 20 refers to the content of advertisements for deposit taking institutions which is to be set out by regulation. Clause 21 refers to regulations for a class of institution excepted from the bill, and the calculations must be in the manner prescribed by the regulations as well as the intervals which are to be prescribed by the regulations. Finally under clause 31 we find that the governor in council may exempt any class of lending transactions from the act.

There are so many holes there that one really does not know what kind of thing we are asked to pass. We have a bill with unspecified maximums and an unspecified criminal rate of interest. We find that the borrower has to take after-the-fact action which is really quite ineffective, too indefinite, and nobody knows where he stands on various transactions.

The hon. member for Windsor West (Mr. Gray) commented on the problems a borrower might find if he has to go to court. The bill is absolutely silent on legal costs, and I imagine there would be very few borrowers who would be willing to take a chance in a court on further burdening themselves with high legal costs as well as interest rates they have been called upon to pay. I think the hon. member for Windsor West made the problem quite clear with regard to the average small borrower and his dealings with the courts. When we had the small loans provisions, the 24 per cent was spelled out in the act and it worked well for the few years it had before it was finally repealed. Even then the ceiling was $1,500, and all that did was to encourage the people who were unwilling to get involved with the small loans regulations to increase the amount of their loans to over $1,500. The figure often seen was $1,525. May I call it ten o'clock, Mr. Speaker?

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: Mr. Speaker, I rise on a point of order. I wonder if I might ask the acting government House leader or the deputy House leader for the House business tomorrow and for the balance of the week.

Mr. Goodale: Mr. Speaker, we intend to continue with Bill C-16 until the debate is completed. I gather from the number of hon. members who still wish to speak on the subject on both sides that we are not likely to finish that subject tomorrow, although we might. If we do, we would then move on to government order No. 5, the legislation relating to currency and exchange. After we have concluded that, we would likely take a look at government order No. 4 relating to land surveys, and following that to government order No. 7 relating to fishing and recreational harbours. Our primary intention will be to continue with Bill C-16 until second reading stage is completed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

AIRPORTS—VANCOUVER INTERNATIONAL—SUGGESTED ENVIRONMENTAL STUDIES IN CONNECTION WITH PROPOSED THIRD RUNWAY—GOVERNMENT POSITION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, in the few minutes that I have available I want to remind all hon. members that early in 1973 questions were raised in the House by members of this party, myself included, concerning a proposed expansion of Vancouver Airport which consisted primarily of the building of a new runway which would be closer by a considerable distance to the heavily built up portion of Vancouver and which would extend into the estuary part of the Fraser River, which is an important salmon resting area for young fish having come down the Fraser River and before going into the Pacific Ocean. The two immediate problems were pollution, first of the water, and the second of noise for those people affected by the new runway. There are the other problems of how this would affect the entire area.

• (2200)

Eventually the government of the day agreed to establish an airport planning committee to study this entire issue. That was established early in 1973 and the report came down in March, 1976. The result of the deliberations of that planning committee, which included members of the Vancouver regional government, interested people in the aviation industry, the Department of Public Works, the Department of Transport, the Department of the Environment, the Department of Urban Affairs, The Community Forum, the City of Vancouver and the greater Vancouver regional district, was that there was a split decision, but the majority was for not proceeding with the airport expansion because a case had not been made for it by the Ministry of Transport. The issue was whether or not a long runway, which would extend into the estuary, should be built.

Subsequent to the report of the airport planning committee the then minister of the environment said that perhaps we could have a shorter runway which would not extend into the estuary. On March 7, 1976, the Minister of Transport (Mr. Lang) issued a press release in which he said:

A federal government decision is expected to be made within the next few months and all interested parties are asked to present their views to the minister as soon as possible.

In the press release the minister did not set out what kind of a proposal was now being looked at, but it became very clear that the minister had decided to take the decision making from the airport planning committee and make his own decision in the secrecy of his own office as to whether or not, first of all, there ought to be any new runway, and second, what kind of runway it ought to be. Subsequently in the House the minister was asked on several occasions in recent weeks just what was going on.

On October 25, as reported at page 402 of *Hansard* I asked the minister if he would advise the House at what stage were the deliberations concerning the so-called third runway at Vancouver International Airport. The minister replied that some further studies of an environmental nature were seen as necessary before any final decision was taken. Then the minister went on to say a most extraordinary thing. He said that in the meantime a certain amount of regular fill that is available without impact upon the waters nearby is being obtained and arranged for pre-loading in the runway area.

I asked the minister if this meant that the decision had in fact been made to go ahead with the new runway and he said no, that it did not mean that. Then on November 1 I asked the minister again if he could tell us what was happening with regard to the situation, especially in view of the fact that an environmental panel had been selected in July this year but had apparently been disbanded. The minister did not know what the reference to that environment panel was and said:

My view is that the panel that is to be, is still to be and there will be an announcement on that in due course.

It is extraordinary that on September 18 a member of his department spoke to the citizens' group in Vancouver and answered certain questions. He was asked whether an environmental panel had been established and was asked the date and formation of the original panel. He answered that that was in July of this year. He was asked this question:

Was there actually a specified membership of persons on the panel?

He answered:

Yes there was a list drawn up and a panel meeting actually was held, as a first go-around to inform the panel members what it was all about.

He then went on to say that the panel was disbanded and has no longer any standing.

There are certain questions which arise out of this. The events are well known in the city of Vancouver, British Columbia, and there are certain questions which demand answers. First, why has the minister circumvented the planning and review process established three years ago under the airport planning committee which involved the federal government, the local government, the greater Vancouver regional district, the city of Vancouver, and the citizens of the affected area? The second question is what happened to the representations, if any, which the minister invited from the public in his press release of March 12, 1976? Are we ever going to see them?

[Mr. Fraser.]

The third question is just how could anyone comment on a proposal when no details of the proposal—or proposals—have ever been given to anyone? In other words, we have no details as to what it is the minister is in fact studying. The fourth question is why did the minister say in his press release of March 12, that, and I quote, "a decision would be made in the next few months"? It is now eight months later, and all is confusion.

The next question is why has the minister refused, since March, 1976, up to now to tell us what proposal is being considered? Is it a long runway into the estuary or only a short runway within the dyke? Sixth, will the minister refer the proposals under consideration, whatever they are, back to the airport planning committee if the proposals he is considering are different from those already studied by that committee? Presumably there must be some difference, or the minister would not be talking about further studies or comments. The next point is that if no decision has yet been made—

Mr. Deputy Speaker: Order, please. I have to stop the hon. member because his seven minutes have expired.

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in reply to the hon. member for Vancouver South (Mr. Fraser) I think it is necessary, in order to understand fully what is now taking place with regard to a third runway at Vancouver International Airport, to review some of the recent history of the project.

In 1973 the Ministry of Transport came to the conclusion that a runway parallel to the existing east-west runway was needed at Vancouver International Airport. Terms of reference for an airport planning committee were established, and the first meeting was held in April, 1973. The terms of reference were "to ensure that the proposed development of Vancouver International Airport was compatible with the planning of the various levels of government and the concerns of the public in the communities involved".

Several planning studies were carried out under the supervision of various subcommittees of the airport planning committee. The studies resulted in ten reports, all of which were completed and printed at various times in 1975. During the course of the planning and environmental studies, alternative concepts for a parallel runway were considered, all of which involved extensions past the dyke and into the estuary.

The report of the airport planning committee was printed and made available to the public in March of this year, and the airport planning committee was dissolved. At about this point in time we arrived at the conclusion that instead of implementing one of the concepts involving extension into the estuary we should construct a shorter runway—of approximately 10,000 feet—which could be located entirely within the dyke and which would involve no protrusion into the estuary. We have taken the position that this third runway should not be started before 1978 and that this project is subject to the environmental assessment and review process of the federal government.

We have asked that officials of Environment Canada establish an environment assessment panel to review the third runway project. These officials now are considering our request, and we expect a response in the near future.

Adjournment Debate

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

At 10.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

80001—46½

HOUSE OF COMMONS

Wednesday, November 3, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSING

COMPLIANCE OF FEDERAL PROGRAMS INVOLVING RENTAL UNITS WITH RENT CONTROL REGULATIONS—MOTION UNDER S.O. 43

Mr. Dean Whiteway (Selkirk): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Since federally subsidized housing does not fall within the jurisdiction of provincial rent controls and in view of the injustices arising from low income earners being forced to pay rent increases far in excess of permitted wage increases and in excess of the maximum rental increase limitations established for private sector rental housing, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Minister of State for Urban Affairs take immediate action to ensure that all federal programs involving rental housing comply with the rental control legislation in their appropriate province.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CONFLICT OF INTEREST

SUGGESTION LEADER OF OPPOSITION DISCLOSES ANY CASES OF WHICH HE IS AWARE—MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in order to avoid any further possible conflict of interest cases involving members of parliament, and following the initiative taken by the Leader of the Official Opposition (Mr. Clark) in writing to members of his caucus, I move, under the provisions of Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urges the Leader of the Official Opposition to disclose to this House any possible conflict of interest cases which he becomes aware of as a result of his letter to Conservative members of parliament and, that in the interest of maintaining the integrity of members of this parliament, he make such information open and public to the Canadian people.

Mr. Speaker: Order, please. Such motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONSUMER AFFAIRS

FALSE ADVERTISING OF WORKS OF ART—GOVERNMENT ACTION—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of pressing urgency. Since Canadian artists are being irreparably harmed financially by the sale of factory produced paintings advertised right here, in Ottawa, as original paintings, even though federal customs officials have refused them free entry as original works of art, I move, seconded by the hon. member for Brome-Missisquoi (Mr. Grafftey):

That this House urges the Minister of Consumer and Corporate Affairs to investigate and lay charges, if warranted, against persons advertising as original works of art paintings which are in fact produced on an assembly line basis.

Mr. Speaker: Such motion pursuant to Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CONFLICT OF INTEREST

EXPRESSION OF THANKS FOR DIRECTION GIVEN BY LEADER OF OPPOSITION—MOTION UNDER S.O. 43

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I move, under the provisions of Standing Order 43, as a matter of urgent and pressing necessity:

That this House expresses its thanks to the Leader of the Opposition for the direction he has given to this House and regrets that other party leaders have not seen fit to follow his lead.

Some hon. Members: Hear, hear!

Mr. Paproski: Goodale and Pierre said no.

Mr. Baker (Grenville-Carleton): Try again, fellows.

Les Terrasses de la Chaudière

SOCIAL SECURITY

SUGGESTED PAYMENT OF OLD AGE PENSIONS TO WIDOWS, SPINSTERS, WIDOWERS AND BACHELORS BETWEEN AGES OF 60 AND 65—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my motion relates to a matter of serious urgency to many Canadians between the ages of 60 and 65, as members in all parts of the House realize. I therefore ask leave under the provisions of Standing Order 43 to move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House urges the government to introduce without delay an amendment to the Old Age Security Act to provide for the equivalent of the spouse's allowance to be paid as well to widows, spinsters, widowers and bachelors between the ages of 60 and 65, provided they are out of the labour market.

Mr. Speaker: This motion can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

PROPOSED DELAY OF LES TERRASSES DE LA CHAUDIÈRE PROJECT—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43. Whereas the economy of Canada is being detrimentally affected by government construction or participation in grandiose projects at a time when essential research and development and other more worthwhile endeavours are being starved for lack of funds, and whereas the Government of Canada has opted to lease at tremendous cost 1,825,000 square feet of office space in a project recently commenced in the national capital area called les Terrasses de la Chaudière, I move, seconded by the hon. member for Capilano (Mr. Huntington):

● (1410)

That at a time when surplus office space in existing facilities is a very real possibility, particularly in view of decentralization initiatives by government, which have a lot of merit, that the government forthwith modify or postpone this ill-advised and poorly conceived arrangement for additional office space, and by so doing, save the taxpayers of Canada a sum in excess of $600 million.

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

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Baker (Grenville-Carleton).]

LABOUR CONDITIONS

ALLEGED REFUSAL OF BANK OF MONTREAL TO HIRE PEOPLE SUFFERING FROM DIABETES—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Bank of Montreal practices discrimination in refusing to hire people who suffer from diabetes, and in view of the fact that those who suffer from this disease have a statistically proven better work record than many other people, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the Minister of Labour commission an investigation into the hiring practices of the Bank of Montreal and that the Minister of National Health and Welfare who is at present launching a campaign against alcoholism, also launch an information campaign encouraging the victims of diabetes and related disorders to withdraw their funds and all financial dealings from the Bank of Montreal.

Mr. Speaker: Order please. Such a motion pursuant to Standing Order 43 can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

SUGGESTED NAMING OF MINISTER RESPONSIBLE FOR AGENCY—MOTION UNDER S.O. 43

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, I rise to present a motion under the terms of Standing Order 43. In the interests of good management of government and to correct the serious internal confusion in CIDA, a $1 billion agency, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Prime Minister immediately implement his own answer to a question of the Leader of the Opposition given at page 625 of *Hansard*, that a minister be named expressly for the purpose of supervising CIDA.

An hon. Member: Joe Guay.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE PROJECT—REQUEST FOR INQUIRY AND REPORT

Mr. Ron Huntington (Capilano): Mr. Speaker, I note that the Minister of Public Works is in the chamber. I would like to ask him if at this time he would give to the House or table in the House the details of the report that he asked for from the members of his staff in the Department of Public Works. Can he advise if he is satisfied with the agreement that was made with Campeau on the Les Terrasses de la Chaudière project and whether he considers it a good one for the people of Canada?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, basically the information to which the hon. member makes reference was not in the form of a report. It was a considerable quantity of information relating to Les Terrasses de la Chaudière project as well as phase three and phase four in Hull and the York Olympia project here in Ottawa. I am still going over some of the details of this information. I am not yet in a position to comment on the final parts of the question.

Mr. Huntington: Does the minister not agree that the taxpayers of Canada are entitled to a full and open inquiry on this contract, particularly in view of its magnitude, as well as the negotiations and circumstances leading to the contract? Can he assure the House that documents and files in his department pertaining to the Terrasses de la Chaudière deal are not being removed in order to obscure the situation with regard to a subsequent investigation on this project?

Mr. Buchanan: Mr. Speaker, to date my investigations have not lead me to believe that there was any wrongdoing, as suggested by the hon. member. Until I am convinced that there was a shred of that type of activity, I do not see the reason or justification for an inquiry.

LES TERRASSES DE LA CHAUDIÈRE PROJECT—REQUEST FOR ASSURANCE TREASURY BOARD PROCEDURES FOLLOWED

Mr. Ron Huntington (Capilano): Mr. Speaker, I will address my final supplementary to the Prime Minister. Has the Prime Minister reviewed the circumstances leading to Les Terrasses project and can he assure the House that there was no circumvention of normal Treasury Board procedures in the negotiations leading to the signing of this contract?

Right Hon. P. E. Trudeau (Prime Minister): As I believe I reported to the House a few days ago, I have already discussed this matter with the Minister of Public Works. He reported to me that he was conducting an inquiry and every reply we have had to date is to the effect that Treasury Board procedures were followed in the most normal fashion.

LES TERRASSES DE LA CHAUDIÈRE PROJECT—TENDERING PROCEDURE—ROLE OF A. J. PERRIER IN EVALUATION OF PROJECT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is to the Minister of Public Works. As the Department of Public Works has a tendering procedure applicable to office lease-purchase proposals, would the hon. gentleman tell us whether that procedure was followed with respect to the Campeau project, Les Terrasses de la Chaudière, and, in particular, was the evaluation of the project carried out by a committee chaired by the Assistant Deputy Minister (Realty), Mr. A. J. Perrier, a former employee of Campeau, as was the case when tenders were sought for the Olympia-York project to which the minister has just referred, now being built on Sparks Street?

Hon. Judd Buchanan (Minister of Public Works): There is a significant difference between that situation and the Olympia-York situation. The situation here involved a blend of Crown-owned and privately-owned land so in this case the builder-developer, or builder-lessor, actually made the submission because he owned a portion of the land with which we were concerned. To date there is no set procedure, as the hon. member implies, as far as these purchase arrangements are concerned.

Mr. Stevens: Since the minister is reported in the press to have stated yesterday, referring to the Campeau project, that in retrospect it would have been better had the government expropriated the land and invited public tenders, would the hon. gentleman tell us whether he or the department are now considering such an expropriation with a view to either dropping the project or, at least, following proper tendering procedures before continuing any further?

Mr. Buchanan: I think that as a matter of policy in the future, while I am minister, I should like to expropriate the land. But, again, as I said to the hon. member for Capilano, I wish to emphasize that I have found no suggestion or indication of wrongdoing in this particular case, although that was not the procedure followed.

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GOVERNMENT ADMINISTRATION

INQUIRY WHETHER LES TERRASSES DE LA CHAUDIÈRE PROJECT RECEIVED TREASURY BOARD APPROVAL

Mr. Sinclair Stevens (York-Simcoe): My final supplementary is directed to the President of the Treasury Board. The Minister of Finance having stated yesterday, with reference to the Chaudière project that an expenditure of this kind would in due course have to receive Treasury Board approval, would the minister inform us whether such approval was granted and whether he is satisfied there were no irregularities in the procedures followed?

Hon. Robert K. Andras (President of the Treasury Board): I believe this transaction was vetted and approved by Treasury

Board. I am so informed. Insofar as the propriety of what took place is concerned, I have given the matter a preliminary examination and I say again I see no ethical problems involved in it; I think it will stand examination although it is admittedly a very complex transaction.

* * *

CONFLICT OF INTEREST

REQUEST FOR LEGISLATED GUIDELINES FOR MEMBERS

Mr. Edward Broadbent (Oshawa-Whitby): In addressing this question to the Prime Minister, Mr. Speaker, I think it is important to note that it was only members of the Conservative Party who said no to an important conflict of interest motion yesterday. Would the Prime Minister assure the House that the government will bring forward legislation before Christmas which will make it mandatory that all members of parliament publicly declare, on an annual basis, their financial interests and those of their spouses. I have in mind a parliamentary financial interest registry of the kind established last year in the parliament of Great Britain.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I feel compelled to remind the House of what the government has done already in this regard, more than two years ago.

An hon. Member: Nothing!

Mr. Trudeau: The hon. member says "Nothing". He has obviously not been doing his homework.

Some hon. Members: Hear, hear!

Mr. Trudeau: The policy statement was very elaborate and I made it myself in the House. It was a policy statement regarding conflict of interest as it concerned members of parliament generally and members of the ministry in particular. So far as the members of the ministry are concerned, I indicated the policies we were following and every member of my ministry has made a public declaration in front of a trustee.

● (1420)

Mr. Grafftey: They have not, and you know it.

Mr. Trudeau: So, it is open to scrutiny whether or not ministers have complied with the guidelines that have been laid down.

Mr. Baker (Grenville-Carleton): Tony hasn't made his.

Mr. Trudeau: With regard to members of parliament themselves, naturally the government did not want to legislate until members of parliament had been given an opportunity to study the guidelines proposed for their conduct, part of the intention being to clarify some provisions of the present Senate and House of Commons Act which are not perfectly clear.

[Mr. Andras.]

This statement of policy was handed to the Commons committee and to a committee of the Senate. They were some year and a half or two years bringing in a report but we now have a report from the two Houses which was received early this summer. The government intends proceeding with a new statement of policy or legislation, one I would be inclined to say which would follow a rather tougher route than some of the recommendations of the committee. But it is completely erroneous to indicate that there have been no guidelines. The government has stated its policy for ministers and for members of parliament, and it is up to members of parliament themselves to follow those guidelines or to modify them.

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that I did not say in my question that nothing had been done vis-à-vis the ministry. My question pertains to members of parliament of all parties and has, of course, come up because of a very recent case involving one member of this House. I listened with care to what the Prime Minister said, but given the fact that members of parliament on both sides have to make decisions on trade policy, or on taxation policy, for example, would he not agree that in order to avoid the appearance even of a conflict of interest in such important matters it is essential not simply for the ministry but for all members of parliament, to have on record a detailed outline of their financial interests? If so, would he assure the House that the measures that he intends to bring forward will in fact go as far as those in Great Britain on this important issue?

Mr. Trudeau: Mr. Speaker, if the hon. member refers to the proposals which were made by the government in its policy statement, he will find they would involve members abstaining from making any decision or speech or taking a position in areas where they might have a conflict. As a matter of fact, these very days the House leader of the Senate is ensuring that a committee which will examine banking legislation shortly has no member on its membership who might be in a conflict of position situation. So, as far as the chairmen, ministers, the public service and the staff in our offices are concerned, all of the guidelines have been enunciated and followed. So far as members of parliament are concerned, the hon. member will remember that there was quite a large area of disagreement on both sides of the House as to what should be implemented, and that is what the government is presently studying.

Mr. Broadbent: A final supplementary question, Mr. Speaker. The Prime Minister took a long time not to answer the question. I should like to ask him this. Does or does not the government believe that it is essential to maintain at least the appearance of public integrity for members of parliament, and therefore believe that all members should declare on a regular annual basis their financial interests in the way that has been established in other democratic bodies, including that of Great Britain?

Mr. Trudeau: The hon. member insists that I am evading the question. I assure him that so far as the people who are under my control as Prime Minister in minister's offices, in the public service and in the ministry are concerned, their interests

have been declared. So far as the House of Commons is concerned, I think it is up to the House of Commons to make up its mind.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask the right hon. Prime Minister a question.

Considering that the press reported yesterday that the statements recently made by the former minister of transport, who is now a Liberal candidate in the Louis-Hébert riding in Quebec, to the effect that, should Quebec choose to separate from Canada, he would fight along the sides of those who think like him, I would like to ask if the Prime Minister could advise this House whether Mr. Jean Marchand had consultations with him or whether he mentioned his intentions to him on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not think it pertains to the House or to myself to comment on the provincial elections now in process. It is not our custom to do so and I do not see why the hon. member would expect the federal government to interfere with those elections. The former minister of transport now stands as a candidate in provincial elections. Being a former minister of transport, he is no longer a member of the federal cabinet.

* * *

BILINGUALISM

INQUIRY IF PROVINCES REQUESTED FUNDS TO TEACH SECOND LANGUAGE IN SCHOOLS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a supplementary question.

Since the current elections are of paramount importance especially to Quebecers and indirectly involve the federal government, could the Prime Minister advise the House, since they talk about teaching our children in the other language, French or English as the case may be, whether some Canadian provinces, including Quebec, have applied to the federal government for more funds for the teaching of the other language in schools?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows or should know that for many years now the government has followed a policy which provides provinces with funds for the teaching of the second language or the other official language in the case of a minority group speaking it. I think the funds available in the budget for the current year amount to about $125 million. Those funds are distributed among the provinces under a formula which is also known to the House. I do not know the detailed distribution to tell exactly what amount goes to which province, but if the hon. member would put his question on the order paper, he would surely get the answer.

* * *

[*English*]

PUBLIC WORKS

LES TERRASSES DE LA CHAUDIÈRE PROJECT—SUGGESTED CONSIDERATION OF EXPROPRIATION AND TENDERING

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to ask the Minister of Public Works another question about the Chaudière project. In view of his very constructive answer to the hon. member for York-Simcoe to the effect that in future he would favour expropriation and tendering procedures for vast projects like this one, and in view of the fact that this project is still in its infancy, will the minister undertake to consider very seriously reviewing this project and instituting this type of action now rather than limiting it to the future?

Hon. Judd Buchanan (Minister of Public Works): Mr. Speaker, as I indicated in reply a few days ago to the hon. member for Capilano, this project is one where in fact a contract was negotiated over a period of 12 to 15 months and was entered into in good faith. It is my understanding that the government now stands in the position of having entered into a full and binding contract, so I would find it awkward to follow the course of action advocated by the hon. member.

LES TERRASSES DE LA CHAUDIÈRE PROJECT—INTEREST RATE AND MANAGEMENT FEE

Mr. Elmer M. MacKay (Central Nova): I would like to remind the minister that at times governments do have the power to abrogate, on a fair basis, binding contracts, as has been recently shown, and I would like to ask the minister one detailed question with respect to this project. Is it the case that this project is amortized at the rate of 11¼ per cent over a period of 35 years? The project presently appears to have had no competitive bidding or supervision by government with respect to its proposed construction? Is it a fact that the Campeau Corporation will receive a management fee of 5 per cent of the total cost of this project, which will add approximately another $7.5 million?

Hon. Judd Buchanan (Minister of Public Works): There are two parts to that question. The 11¼ per cent is only for the first 15 years, as I understand it, not for the full period of 35 years.

An hon. Member: Does it go up?

Mr. Buchanan: It is not binding for the full period. I am sorry, but I forget the last part of the question.

Mr. MacKay: The management fee.

Mr. Buchanan: I will verify that point, but to the best of my knowledge there is not a management fee. I will check that out.

* * *

● (1430)

THE CANADIAN ECONOMY

POSSIBILITY OF ADOPTING METHODS USED BY WEST GERMANY TO SECURE LABOUR-MANAGEMENT CO-OPERATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As West Germany has achieved an inflation rate of 4 per cent, an unemployment rate of 3.7 per cent and last year had a trade surplus of $13 billion brought about by cooperation between management, labour and government, with government giving great leadership, is the government examining the methods used in that country to see whether they could be tried here as an alternative to the government's policy of confrontation with management and labour which has produced such unsatisfactory results for our economy.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the various methods used for arriving at an incomes policy have been a matter of scrutiny within the government and it is indeed for the purpose of achieving some national consensus on the fair share between the various elements in the community that we are having meetings with leaders of organized labour, business leaders and with other groups in the country to arrive at, perhaps not the same kind of agreement, but a similar type of agreement that the Germans have achieved in the past.

Mr. Hees: Mr. Speaker, I have a supplementary for the Prime Minister. As latest reports are that the government's chance of success with these latest approaches to management and labour are no better than during the past few years—which has been zero—does the Prime Minister not agree that it is desirable to examine the methods used by those who have achieved such very spectacular results in fields where we need to show great improvement if the economy is to continue in a viable position.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentlemen is pessimistic about the reasonableness of business and labour in accepting some kind of formula for restraining the growth of inflation in Canada. I think, as to the experience of my predecessor in the spring of 1975, one should not be too sanguine in that regard, but we all stand to gain if that kind of an initiative can be successful. I would only say that in Germany where you have a social democrat government elected by the trade union movement, there is an intimate relationship between organized labour and the government of the day there which does not exist here.

Mr. Hees: Mr. Speaker, I will try a final supplementary to the Prime Minister who has ducked the first two questions. I would say to him, as he is taking no interest in examining the very spectacular results produced by West Germany, as there are none so blind as those who will not see, does the Prime Minister ever get migraine headaches—

Mr. Speaker: Order, please.

Mr. Hees: —from keeping his head in the sand so much of the time.

Mr. Speaker: Order please. The hon. member for Annapolis Valley.

* * *

COMMUNICATIONS

APPLICATION OF BELL CANADA FOR RATE INCREASE—ASSURANCE OF CONSUMER REPRESENTATION AT HEARINGS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. Is the minister aware of today's application by Bell Canada for another phone rate increase ranging in 1977 between 9.5 per cent and 12.5 per cent, and will she insure that there is active and adequate consumer representation at the hearings before the CRTC.

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Yes, Mr. Speaker, I know about the application by Bell Canada for a rate increase based on its investment needs for the future. However, I would point out to the hon. member that there are regulatory bodies whose function is to consider the revenues of public utilities. Such bodies are specifically created to protect the consumer against unwarranted increases, in view of the fact that those companies often hold monopolies or near monopolies.

[*English*]

Mr. Nowlan: I appreciate the function of the regulatory body, but in view of the fact that we have another regulatory body that has been created because of the problems of the government in respect of the economic conditions in this country, namely the AIB, will the minister confer with the regulator and find out if there are any restrictions or adverse regulations or directives of the AIB that are affecting adversely the profit picture, the investment portfolio or the profit ratio of this company which is one of the reasons perhaps that it has to have another rate increase.

[*Translation*]

Mrs. Sauvé: Mr. Speaker, the CRTC is empowered to implement the anti-inflation program, and the measures we established to fight inflation are submitted to the consideration of the CRTC with respect to the requests it gets. Those bodies

are quite flexible because companies such as Bell Canada or others are not always subject to the normal laws of the market.

[*English*]

* * *

SPORTS

SUMMER GAMES AT ST. JOHN'S—TERMS OF COMMITMENT TO SUPPLY FUNDS

Mr. Dave Rooney (Bonavista-Trinity-Conception): Mr. Speaker, my question is for the Minister of State responsible for sports and fitness. It concerns the summer games to be held in St. John's, Newfoundland, in 1977. In view of the fact that the chairman of the summer games committee, with the concurrence of the committee largely appointed by the chairman, has awarded the major contract for the games to a company owned by himself without public tender, can the minister inform the House whether or not the government has already made commitments which carry an obligation to provide funds for this transaction and, if not, can the minister inform the House whether or not the government intends to do so.

Hon. Iona Campagnolo (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the Government of Canada has promised to contribute $750,000 in capital to this particular event. Of course this will be contingent upon acceptable tendering practices.

* * *

CANADA PENSION PLAN

ALTERNATIVE TO PROVISION PERMITTING PROVINCIAL BORROWING—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare regarding the Canada Pension Plan and the provincial borrowing in that regard. In light of the fact that the preferred rate of interest on borrowing by the provinces from the Canada Pension Plan fund, except in respect of the Quebec plan, is being seriously questioned in that such a practice seems to be at the expense of the over-all investment return of pension plan assets and thus to the detriment of participants in the plan and their beneficiaries, has any agreement been reached with the provinces regarding interest rates on borrowing and has the government submitted an alternative to the present practice which can be revealed at this time.

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have tabled in this House a report of the advisory committee on the Canada Pension Plan. This report recommends several alternatives to the present system which I have indicated both inside and outside the House is indeed unsatisfactory to the Government of Canada, as well as to the contributors to the plan, and to the future beneficiaries of the plan. Unfortunately, those alternatives have not as yet received very active consideration by the provinces as yet, and I would appreciate it if the hon. member would help me convince the provinces, particularly the government of Ontario, to go ahead with a review of this matter in order to arrive at a better solution than that which we have at the present time. I might say that the Minister of Finance of Ontario has not been very cooperative in this respect because he seems to have the view, according to his declaration, that the Canada Pension Plan is among his very first objectives as a source of cheap revenue for the province, a statement with which I do not agree.

ADVISORY COMMITTEE RECOMMENDATIONS ON INTEREST EARNED BY ASSETS HELD BY PLAN

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, that is a cheap partisan shot. Let me ask him another question relating to the pension advisory committee report. The Canada Pension Plan advisory committee, in a report to the Minister of National Health and Welfare dated August 18, 1976, recommended that the investments held to meet plan liabilities bear or earn a fair rate of return. It further recommended that the interest rate on provincial bonds held in the fund should be brought to a realistic rate as soon as possible. I ask the minister whether the above recommendations are now government policy and because of the urgency of the matter stated by the advisory committee in this regard, as the minister indicates that they are policy, when can we expect these recommendations to be enforced by way of legislation or otherwise given the urgency of the situation?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I totally agree with the statement the hon. member has made from this particular report, but again I have to remind the hon. member that in order to have this particular reform put into effect I would need the assent of two thirds of the provinces with two thirds of the population which, in effect, gives the province of Ontario a right of veto on the implementation of any such change.

* * *

• (1440)

FISHERIES

DATE OF ANNOUNCEMENT OF QUOTAS FOR DOMESTIC AND FOREIGN FISHERMEN AS WELL AS DECLARATION OF 200-MILE ZONE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and the Environment. In light of the serious social and economic problems presently facing fishermen and fish packers in Atlantic Canada, and the necessity of establishing a meaningful management plan by the industry in order to provide steady employment for our people, would the minister indicate when

we can expect an announcement in this House of the quotas for all areas and all species that will be made available effective on January 1, 1977 for Canada's fishermen within the economic or 200-mile zone, and at the same time will he give an indication of the quotas to be given to foreign nationals fishing within our zones in 1977? Finally, will he indicate the date on which the 200-mile limit will be declared since I have difficulty finding the exact date in the *Canada Gazette* which he tabled yesterday or in his comments?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, the fishing plans for 1977 are the subject of discussion with the industry and with fishermen's organizations at this very moment. In fact, I will be meeting the regional directors from the Atlantic area tomorrow morning to have further discussions with them. Both sides of the industry have been asked to give their opinion on the allocation of quotas available.

As for the other part of the question regarding the date, the order in council yesterday meant the date for the extension will be January 1, 1977.

PLANS FOR SURVEILLANCE OF 200-MILE ZONE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the minister is aware that in spite of the agreement of other nations on specified quotas and the fact that they agreed to reduce their catch by 30 per cent, there have been many incidents of over-fishing by foreign nations. I wish to ask the minister how far in advance, if the 200-mile limit becomes effective on January 1, are the plans made by him, the Minister of National Defence and the Minister of Transport with regard to surveillance and the patrolling of this vast area which will have to be covered.

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): I cannot accept the allegation of over-fishing until I have checked the facts, which I am quite willing to do. I might say that some members of the Canadian fishing industry also have over-fished. As regards the matter of surveillance, we have doubled the capacity in the number of days at sea and number of flights over the past few months, and we will increase this level with the cooperation of other departments. I might point out that one of the conditions of entrance into the new extended zone will be the reporting of the exact location which would mean that violation of that condition could result in charges before Canadian courts.

* * *

FOREIGN INVESTMENT

TAKEOVER OF UNION OIL BY HUSKY OIL—GOVERNMENT ACTION ON REQUEST FOR DELAY

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Recently the Foreign Investment Review Agency approved the takeover of Union Oil by Husky Oil, an American firm. The takeover was of a refinery in Prince George. The Independent Petroleum Agents Association wrote to the Prime Minister and the cabinet asking that that decision be delayed in order to give them an opportunity as a Canadian operation to make a competitive bid on the Prince George refinery. Would the minister advise the House whether his government interceded on behalf of those petroleum agents to delay the decision in order that they may have the opportunity of making a bid on the Prince George refinery?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): No, Mr. Speaker. In cases like those, according to the law the government must analyze each proposal to see if it is of benefit to Canada. We found that the proposal made by Husky Oil Ltd. offered Canada certain advantages. In fact, 62 per cent of its shares are Canadian-owned, and we are not required to take any other proposal into consideration. According to the law, we need only analyze the proposal before us; in view of circumstances, we feel advantages will accrue to Canada so we approved it.

[*English*]

Mr. Leggatt: I am aware, of course, of the difficulty with regard to the law, and that is something the minister might indicate to the House that he is going to correct by providing a notification procedure. But my question is as follows: Is it the government's policy not to intervene with regard to foreign takeovers so that Canadian corporations have an opportunity of matching foreign bids on Canadian assets?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the law forbids me to do so. The law is not some sort of middleman acting as a go between; it is a matter of analyzing each offer of purchase and seeing where its advantages lie, and I am surprised the hon. member is asking me not to respect the law.

* * *

SUPPLY AND SERVICES

SMI INDUSTRIES—POSSIBILITY ARTICLES MANUFACTURED IN UNITED STATES ALLOWED ENTRY TO CANADA

Mr. Herbert Breau (Gloucester): Mr. Speaker, I should like to put a question to the Minister of Supply and Services.

In view of the apprehensions expressed by the workers' union of the SMI Industries of Bathurst in New Brunswick because the units to be sold to the Canadian government would be built by an American plant belonging to the same interests, and because that plant is now on strike legally, can the minister tell the House whether the contract his department has signed with the firm allows the latter to transfer some work, that is articles originating from outside?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, the purchasing department has revised its requi-

sition; it now covers four vehicles. The Bathurst plant can supply four vehicles manufactured in Canada.

* * *

[*English*]

HEALTH

POSSIBILITY OF FEDERAL GOVERNMENT SHARING COST OF HOME CARE PROGRAMS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the escalating health care costs and the necessity for substituting health care facilities to cut down the time spent in active treatment beds—and I refer to home care programs—which, adequately serviced, could reduce costs substantially, I should like to ask the minister whether he has conferred with his provincial counterparts to share costs or tax credit this program so it may be enlarged?

Hon. Marc Lalonde (Minister of National Health and Welfare): Yes, Mr. Speaker, there have been discussions with the provinces over the last year and a half on this very subject, particularly with regard to the development of a five year plan aimed at increasing lower cost alternatives. I have received answers from most of the provinces at this stage. As the hon. member knows, we are also presently in discussion with the provinces in order to arrive at a new financing formula which would give the provinces greater flexibility in the administration of funds in the health care field than that presently accorded under the medical care and hospital insurance acts. There will be further discussions with the provinces on this subject in the next few months and in particular with their ministers of finance. I hope a satisfactory solution will be arrived at which will give the provinces the necessary flexibility to develop the type of services to which the hon. member has referred.

* * *

LABOUR CONDITIONS

REASON FOR FAILURE OF CANADIAN NATIONAL TO NEGOTIATE WITH EMPLOYEES OF CHAPMAN TRANSPORT—POSSIBILITY OF CHAPMAN CEASING OPERATION

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Labour and I have given him notice of it. Yesterday my colleague, the hon. member for Okanagan Boundary, raised the question of the 200 workers of Chapman Transport in British Columbia, a subsidiary of the CNR. The Minister of Transport said that was a labour problem. In view of the fact that the minister appointed a commissioner, whose report apparently supports the position of the employees that their contract should be comparable with other truckers in the province, can the minister advise the House why there is apparently no initiative on the part of the company to reopen negotiations, even though the union was told by a terminal manager this would happen?

Hon. John C. Munro (Minister of Labour): No, I cannot, Mr. Speaker. That would be very much the business of the employer himself, and he is not communicating that to our officials. However, we have advised the parties that we are available. As the hon. member knows, we have competent mediators in Vancouver who are ready to do anything they possibly can in this situation.

Mr. Fraser: In view of the fact that there have been rumours that CNR intends to hang tough and also of radio reports that Chapman's would close up their operations, would the minister tell us if the CNR, which is a publicly owned corporation, is in fact about to close down its subsidiary, which would of course end the jobs of 200 workers in British Columbia?

Mr. Munro (Hamilton East): At this stage I can only say that I certainly hope that is not the case.

* * *

● (1450)

[*Translation*]

CENTRAL MORTGAGE AND HOUSING CORPORATION

RAP PROGRAM—REQUEST FOR ALLOTMENT OF FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

My question deals with the Residential Rehabilitation Assistance Program in rural areas. I have here a letter I am going to quote from to enable the minister to grasp the scope of my question. In this letter, the Central Mortgage and Housing Corporation said the following:

> . . . because of a lack of funds for the rehabilitation program, must discontinue their commitments for the year 1976.

Could the minister advise the House whether he was informed of this situation and whether he thinks that there may be other credits for this program before the adoption of the new estimates?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, let us first note that the Residential Rehabilitation Assistance Program in question is one of the most successful programs in our country. Unfortunately, there was not enough money for this year and we have problems in meeting the applications from rural and urban areas.

I would ask the hon. member to show a little patience. We are reviewing the program to see whether there is any possibility of finding funds from another source and if possible of turning to Treasury Board to be able to get funds to meet the applications. I would invite hon. members to encourage municipalities to go on making applications because we did not say that applications were rejected; we simply said we lacked funds.

Mr. Lambert (Bellechasse): Mr. Speaker, I am grateful to the parliamentary secretary for his answer which is quite clear but I have also a straightforward question for him.

This program does respond to a need, evidence has been given, there are lots of applications. Given the fact that it happens some time that there are programs with no actual import, would it be possible to ask the President of the Treasury Board to transfer funds allocated for that kind of programs which the population does not want since it does not use them, to a program such as the one on housing rehabilitation so we may continue to answer positively to applications made by municipalities and by taxpayers?

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, again I will say to the hon. member that we are perfectly aware of the success of this program. Incidentally we are very proud of it. Nevertheless applications this year have exceeded the amount of money we had planned for this purpose. The President of the Treasury Board is aware of that. I think he is giving it consideration and as for us, we are looking into the question to find a solution.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

ALLEGED NEW EVIDENCE IN LATTA CASE—POSSIBILITY OF NEW TRIAL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is for the Minister of Justice and refers to a man by the name of Latta a former law professor convicted of murder now serving a life sentence. The minister directed a term of reference to the court of appeal of Alberta in connection with new evidence which they ruled inadmissible. I understand it is now alleged there is further new evidence. Is the minister going to have a further investigation and direct another reference to the same court that heard it twice or direct a new trial?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, the position is as I indicated in a recent letter to the hon. member. I have received the view of the court of appeal of Alberta on the question I referred to them about subsequent information which came to my attention, and I am examining that before deciding on the next step I should take.

Mr. Woolliams: A supplementary question, Mr. Speaker. Now that we have had another reference to this convicted person serving a life sentence, surely in light of the reasonable doubt that exists the minister could now direct a new trial so that this man could at least enjoy the civil rights that every citizen of Canada expects from the administration of justice?

Mr. Basford: Mr. Speaker, I am examining the information that has come to my attention to determine whether there is, in fact, a question of reasonable doubt which should be settled either by way of reference or by way of a new trial.

[Mr. Gauthier (Ottawa-Vanier).]

[*Translation*]

EXTERNAL AFFAIRS

REQUEST OF MR. DAOUST CONCERNING RELEASE OF MARIE LECLERC—GOVERNMENT POSITION

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

On October 28 last, Mr. Daoust, a Montreal barrister, sent to the Secretary of State for External Affairs a request concerning the case of Marie-Andrée Leclerc. Since the family of this young Quebecer is deeply concerned, given all the publicity surrounding this case, would the Prime Minister be in a position to indicate to the House whether his government will give favourable consideration to Mr. Daoust's request and whether the result of the inquiry or all information related to this matter will be made public?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the Leclerc case has often been discussed in the House and the High Commissioner in India continues to make representations to Indian authorities so that charges will be brought before the courts as soon as possible. But, at this time, we have to deal with laws that are not ours, and unfortunately this Canadian girl is subject to the laws of India. However, we are making every effort to help her family. Mr. Raymond Daoust made representations and we already had made every effort to try to deal with this case as soon as possible.

Mr. La Salle: Mr. Speaker, I thank the Parliamentary Secretary for his reply. Since Indian police authorities obstinately refuse to give the reasons for Miss Leclerc's incarceration, could the parliamentary secretary inform the House whether his government knows the real reasons for this incarceration and whether they will be made public?

Mr. Leblanc (Laurier): Mr. Speaker, the Leclerc family has retained a lawyer and we have met others to consider the case. However, as I said and have often repeated in the House, we are subject to the legislation of the countries where our Canadian citizens are imprisoned, either in India, Mexico or elsewhere. We are now making efforts to learn the details requested by the hon. member. However, Indian authorities have their own laws and we must obey them. But since a Canadian is involved, we are interested in that case and we are making all possible efforts to have it settled as soon as possible. Moreover, we can say that as a result of our interventions, we know that the physical condition of Miss Leclerc has improved appreciably as did the conditions of her detention.

* * *

[*English*]

CONFLICT OF INTEREST

REQUEST FOR LEGISLATED GUIDELINES FOR MEMBERS

Mr. Bob Brisco (Kootenay West): Mr. Speaker, my question is for the Minister of Justice. In view of the fact that the

late distinguished New Democratic Party member of parliament for Kootenay West, Mr. Herridge, resigned his seat before his private member's bill concerning a conflict of interest by members of parliament who are lawyers could be dealt with, and in view of the fact that in spite of his request the former leader of the party, David Lewis, did not wish this bill introduced because of his own circumstances, would the Minister of Justice consider introducing such legislation or, preferably, encourage the NDP to submit the public bill again which was first drafted by the late distinguished member of this House?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think the Prime Minister made the government's position very clear at the beginning of the question period. I would be very happy, however, to make a representation to the Leader of the New Democratic Party that he adopt the policy of the late Mr. Herridge.

ALLEGED FAILURE OF NEW MINISTERS TO FILE DECLARATIONS—GOVERNMENT ACTION

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question to the Prime Minister arises from the statement he made earlier in the question period that every one of the ministers had complied with the government's conflict of interest regulations. In view of the fact that in the last half hour a Mr. Taylor in the office of the Registrar General confirmed that not one of the seven new ministers appointed seven weeks ago has a public declaration on file with respect to compliance with the conflict of interest regulations, can the Prime Minister correct the statement he made? Can he also indicate whether he is prepared to give the House an assurance that he will do everything possible to ensure that every minister complies with the conflict of interest guidelines, including the Minister for Consumer and Corporate Affairs who has responsibility for the office of the Registrar General?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member would agree that there is a test of reasonableness in this particular matter. All members of our ministry have complied with the guidelines, although I doubt whether those who were named this morning have done so yet. It is possible that some who were named a month ago have not complied yet either. As a matter of principle, I have allowed the ministers from one to three months to comply with the guidelines. In some cases, it means a complex setting up of a trustee and as the hon. member opposite knows, this cannot be done overnight.

• (1500)

As to the statement that none of those named one month ago has complied with the guidelines, that is not correct. This

week-end I remember writing to at least two of them, to tell them I had received the declaration, and to thank them.

Mr. Hnatyshyn: Are you the registrar?

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. JELINEK—NEWSPAPER ARTICLE CONCERNING CONSTITUENCY OFFICE

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, this is the first opportunity I have had to rise on a question of personal privilege pertaining to the article that appeared in Saturday's *Globe and Mail* concerning my constituency office, as well as to the allusions made on the matter in this House.

An hon. Member: Shame.

Mr. Jelinek: As I read it, Mr. Speaker, that article implied that I was guilty of a misuse of funds voted by this House for the establishment of a riding office. I am accused of conniving with an old age pensioner, my constituency secretary, to pay her money she had not earned. I believe the accusation is as serious in its implication for my reputation as it is erroneous in fact. My constituency office is established in conformity with the spirit as well as the letter of the law; it provides a complete and accessible service to my constituents, and it is similar in location and operation to that of the most effective offices set up by many of my colleagues in this House.

Mr. Speaker, allow me to deal briefly with the specific accusations implying a misuse of funds. The article states that I have committed the government to $200 per month for partial use of a tiny room and kitchen which are so inadequate that interviews must be held in the living room of Miss Pattison, my constituency secretary. This, of course, is false. The fact is that the whole bottom floor is used for riding office purposes. This includes the living room, which is used for interviews, the dining room, which is set up for group meetings or discussions, and a third and smaller area which is used for filing. The kitchen is also available, as an incidental convenience, for coffee. From the $200 per month rent, approximately $45 is deducted for an answering service available to all constituents 24 hours a day, seven days a week, and a phone bill of approximately $15 per month. In addition, Miss Pattison pays all heat and light charges. Far from being a suspicious arrangement, this is as good a value for the taxpayers' money as any, the net result being a saving of roughly 50 per cent to the taxpayer from the government's established allowance of $3,600.

It was stated, as well, that Miss Pattison and the office were not easily accessible to constituents. On the contrary, the office, which is centrally located on a main thoroughfare close to one of the central intersections of the riding, keeps the

constituency secretary occupied over six hours a day, six days a week. Certainly, as was stated in the article, Miss Pattison has other community interests in the High Park-Humber Valley area; this only makes her more, not less, suitable as a constituency secretary in helping people with their problems, as her long and extensive community involvements bring her to the heart of local and current affairs.

As for the charge that she refers many problems to my office here in Ottawa, the reasons for this must be obvious to everyone except perhaps the irresponsible *Globe and Mail* reporter who authored this slanderous article. It is true that the office does not have a sign, because I believe the zoning bylaws do not permit one, and as a result both the address and phone number are listed on a great number of mailings that go from my office to every household in the constituency.

The writer of the article makes much of the fact that my party's constituency president has never been to the riding office. He never has, because I take great pains not to use the office for partisan purposes. All executive meetings and party functions are held elsewhere, as I am sure they are with most members, for a constituency office is not the place to advertise or play party politics. One must wonder how a once reputable newspaper like the *Globe and Mail* could stoop to such low levels of yellow journalism by utilizing a large portion of its front page with a story so misleading and erroneous.

In any event, I believe the article was so full of half-truths, innuendoes and outright lies that it constitutes a malicious and slanderous attack on my conduct as a member of parliament. I also believe that I would be fully justified in proposing a motion to send this matter to the Standing Committee on Privileges and Elections so that the mechanics of assembling this vicious and unsubstantiated attack on the character of a member of parliament could be exposed. However, I do not wish to take the further time of the House on this subject matter; and, being aware of suggestions in some of the procedural authorities that libel and slander should be dealt with by the courts, I have instructed my lawyers to proceed accordingly on that basis.

Mr. Speaker: Order, please. I have no difficulty concluding, as I have on numerous occasions in the past, that the hon. member for High Park-Humber Valley (Mr. Jelinek) has raised what he considers to be a grievance in respect of the reporting of his activities. To be consistent with my reasoning and the manner of treating the hon. member for Madawaska-Victoria (Mr. Corbin) whose case was, I think, the most recent example, and also the hon. member for Athabasca (Mr. Yewchuk) with respect to complaints about the reporting by newspapers of the activities of members, I must say that where there is no suggestion that the reporting is so coloured as to represent contempt of parliament, a question of privilege obviously does not arise.

Also, to be consistent with the treatment accorded both the hon. member for Madawaska-Victoria and the hon. member for Athabasca, it would be appropriate if the Chair were to allow reasonable time for the development of a thesis counter to that contained in examples of the sort alluded to. However, I would be completely disregarding the rules of procedure and precedence as I have recited them if I were to indicate that this matter constitutes a question of privilege, or even the suspicion of a question of privilege, and so permit a contribution from the other side. The matter is not partisan in nature. It does not involve accusations against other hon. members.

Questions of privilege which involve differences or disagreements between members have been raised. In fairness, in such circumstances I have always allowed countervailing comments in order to equalize time in such discussions. But that is not the case here, and I really think there is no justification for allowing the matter to go further.

MISS BÉGIN—ALLEGED CONFLICT OF INTEREST

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I rise on a question of privilege. My case is far simpler than the one just exposed before the House. I should like to answer the hon. gentleman opposite whose constituency contains several names, the last of which is Waterloo, by saying that he can choose between being frozen and being blind, but I filed quite some time ago my declaration of conflict of interest, and I understand I am not the only one. I should, therefore, like Your Honour to ask the hon. member—

[*Translation*]

—and I will say it in French—to make a retractation. It is the only thing which I ask him and it is quite simple.

[*English*]

Mr. Lawrence: How about the rest of them?

Some hon. Members: Withdraw.

• (1510)

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, on the question of privilege, I am pleased that the hon. minister raised the question and I invite her to contact Mr. Taylor, the registrar—

Some hon. Members: Oh, oh!

An hon. Member: You do it.

Mr. Beatty: I did, within the last half hour.

Mr. Speaker: Order, please. I really do not want to raise the subject again, but we are dealing with a confined question of privilege. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) indicated in his question that none of the ministers appointed a month ago filed a declaration. The minister takes a question of privilege, saying that she in fact filed her declaration. That is the point at issue. If the hon. member for Wellington-Grey-Dufferin-Waterloo seeks the floor to contribute to that point, I am prepared to listen.

Mr. Beatty: Mr. Speaker, *Hansard* will show that I in fact said that not one of the new ministers has yet a declaration in the public file of the registrar. That is correct. I checked within the last half hour to see whether any of the new

ministers had a declaration in the public file. According to Mr. Taylor, not one of them is yet in the public file.

Some hon. Members: Hear, hear!

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FINANCE, TRADE AND ECONOMIC AFFAIRS

First report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cafik.

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

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ANTI-INFLATION ACT

TABLING OF REFERENCES TO THE ADMINISTRATOR

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I wish to table two references to the administrator under the Anti-Inflation Act.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 8, 184, 505, 619, 620 and 684.

[*Text*]

USE OF PRIVATELY OWNED AIRCRAFT FOR TRIPS MADE BY PRIME MINISTER

Question No. 8—**Mr. Cossitt:**

Since June 1, 1975, has the Prime Minister used any privately owned aircraft for trips made to points outside Ottawa and, if so, in each case (a) on what dates (b) to what destinations (c) what are the names and addresses of the owners of such aircraft?

Right Hon. P. E. Trudeau (Prime Minister): No.

BRIDGEWATER, N.S.—ALLOCATION OF FUNDS FOR NEW BUILDING

Question No. 184—**Mr. Crouse:**

Is it the government's intention to construct a new building in Bridgewater, Nova Scotia and, if so (a) what funds have been allocated (b) on what date will construction begin?

Hon. Judd Buchanan (Minister of Public Works): Yes. (a) $70,000 for site acquisition and preliminary design in 1976/77. (b) It is anticipated that construction will begin in the 1977/78 fiscal year.

Order Paper Questions

MR. BRIAN FLEMMING

Question No. 505—**Mr. MacKay:**

1. What are the terms of Mr. Brian Flemming's contract with the Prime Minister's Office?

2. What is his per diem?

3. What are Mr. Flemming's specific duties?

4. What is Mr. Flemming's current status with the Halifax law firm of Stewart, Covert and MacKeen?

5. What positions does Mr. Flemming hold with any other government agency besides the Prime Minister's Office?

6. What allowances are being made for Mr. Flemming's travel expenses to and from Halifax?

Right Hon. P. E. Trudeau (Prime Minister): 1. Mr. Flemming was appointed under 37(1) of the Public Service Employment Act.

2. Annual salary: $35,500-$47,500.

3. To advise the Prime Minister on policy related matters.

4. Mr. Flemming resigned effective August 31, 1976.

5. None.

6. Removal expenses Halifax-Ottawa in accordance with Removal Regulations. Mr. Flemming is based in Ottawa and is subject to Treasury Board Travel Directive when on duty outside of Ottawa.

STE. ANNE'S HOSPITAL

Question No. 619—**Mr. Herbert:**

Did the government of Quebec refuse to accept, at this time, the transfer of the Ste. Anne de Bellevue Veterans Hospital to their jurisdiction and, if so, for what reason?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Discussions on the transfer of Ste. Anne's Hospital will, it is expected, be undertaken during the 1977-78 fiscal year.

STE. ANNE'S HOSPITAL

Question No. 620—**Mr. Herbert:**

1. Is it the intention of the government to attempt to transfer the Ste. Anne de Bellevue Veterans Hospital to the government of Quebec and, if so, what is the approximate date on which such a transfer could be effected?

2. What is the minimum period of time that employees and patients at the hospital can anticipate remaining under federal control?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. The policy of the Government concerning the transfer of hospitals remains unchanged. If the Department can negotiate a transfer agreement for Ste. Anne's Hospital, it will do so. At this time there are no discussions concerning the transfer of this hospital, therefore no date of transfer can be forecast.

2. Employees will remain under federal control until the effective date of an agreement of transfer. Since determination of a date for transfer is not wholly in the hands of the Department of Veterans Affairs no information is available concerning the minimum period of time employees and patients can anticipate remaining under federal control.

Order Paper Questions

NATIONAL DEFENCE—MANPOWER

Question No. 684—**Mr. McKinnon:**

What was the total (a) regular military (b) reserve (c) civilian strength of the Department of National Defence as of October 1, 1976?

Hon. Barney Danson (Minister of National Defence): (a) 77,996; (b) 21,768; (c) 38,828 (This includes 5,990 term employees).

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Goodale: Mr. Speaker, I ask that question No. 764 be made an order for return, and also ask for the consent of the House to table immediately the information which has already been submitted. The balance of the information will follow as soon as it is submitted to me.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Text*]

TRANSMISSION OF DATA DERIVED FROM STATISTICS CANADA

Question No. 764—**Mr. MacKay:**

1. Did Statistics Canada discover that G. Snyder, F. L. Torrington, I. E. Altman and Y. Goulet, employees of the Merchandising and Services Division, were transmitting data derived from Statistics Canada sources to outside interests for direct or indirect remuneration and, if so (a) on what date (b) in what way did Statistics Canada become aware of these activities?

2. Was the Royal Canadian Mounted Police notified of these activities and, if so (a) on what date (b) by whom (c) in what manner (d) what is the name of the person notified?

3. Was the (a) Department of Justice (b) Public Service Commission (c) Privy Council Office notified of these activities and, if so, in each case (i) by whom (ii) on what date (iii) what is the name of the person notified?

4. Was the then Chief Statistician of Canada, Dr. Sylvia Ostry, notified first of these activities and, if so (a) on what date (b) by whom (c) in what manner?

5. Was the then Minister responsible for Statistics Canada informed about these activities and, if so (a) on what date (b) by whom (c) in what manner?

6. What other persons were informed by officials of Statistics Canada, the Public Service Commission, the Privy Council Office and the RCMP, of these activities?

7. Were any steps taken by officials of government agencies to investigate the activities of G. Snyder, F. L. Torrington, I. E. Altman and Y. Goulet or Allan Jefferies Associates (or an entity with a similar name) and, if so (a) what were they (b) on what dates (c) by whom and (d) in each case, what (i) was the result of the investigation (ii) recommendation was made and what action followed such recommendation?

8. Was any data transmitted or offered to the U.S. firm Decision Sciences Corporation by the four employees or Allan Jefferys Associates and, if so, what data?

9. Was data derived from Statistics Canada sources sold or offered by the four employees or Allan Jefferys Associates to any other organizations or individuals and, if so (a) what data (b) to whom (c) what were the actual or proposed amounts of transactions?

10. Was data referred to in Parts 8 and 9, derived exclusively from material available at that time to the public and, if so, was the source material available to the public and in what form?

[Mr. MacDonald (Cardigan).]

11. Was the source material for the data referred to in Parts 8 and 9 made available to the public after the data had been transmitted to Decision Sciences Corporation and, if so, in what form and on what date?

12. Was data referred to in Part 8 and 9, in whole or in part, produced by the four employees or by Allan Jefferys Associates, on the premises of Statistics Canada and, if so, was it produced in whole or in part, during hours when the four were receiving remuneration as public servants?

13. Did the four employees or Allan Jeffery Associates, use in any way, for private gain, any of the following resources of Statistics Canada (a) computer programming (b) computer services (c) clerical or other support (d) professional services (e) office supplies or materials (f) other resources and, if so, what was the estimated value of each?

14. Did the actions of the four employees constitute a breach of (a) Public Servants' Conflict of Interest Guidelines (Canada Gazette, January 9, 1974) (b) affirmation of office and secrecy, administered to all public servants (c) Statistics Act (d) Criminal Code?

15. (a) What recommendations for disciplinary action or prosecution were made as a result of investigations of the activities of the four employees and Allan Jefferys Associates (b) what disciplinary actions or prosecutions were in fact taken and (i) by what authority (ii) on what date?

16. What were the official titles of the positions occupied by the four employees, or by any persons connected with Allan Jefferys Associates, at the time that Statistics Canada became aware of the dealings of Allan Jefferys Associates?

17. What were the salary ranges of the four employees at the time that Statistics Canada became aware of the dealings of Allan Jefferys Associates?

18. As of October 14, 1976 were the four employees still employed by the government and, if so (a) in what capacity (b) in which agency (c) at what salary range?

19. What was the involvement, if any, of Mrs. Roslyn Snyder in Allan Jefferys Associates?

20. Was Mrs. Snyder an employee of the government at the time that Statistics Canada became aware of the activities of Allan Jefferys Associates and, if so (a) in what capacity (b) with which agency (c) at what salary range?

21. As of October 14, 1976 was Mrs. Snyder an employee of the government and, if so (a) with which agency (b) in what capacity (c) at what salary range?

22. (a) What was the legal form of Allan Jefferys Associates (or any variation of this name) (b) on what date was it established (c) what was the address and who were the owners, officers and employees (d) on what date was it dissolved and for what reason?

23. Were all payments made to Allan Jefferys Associates or any individuals associated with them reported for federal tax purposes and, if not, what action has been taken?

24. Were any of the expenses claimed for tax purposes by Allan Jefferys Associates or any individuals associated with them, paid for with public funds?

25. Was data transmitted directly or indirectly by Allan Jefferys Associates or any individuals associated with them to the Campeau Corporation or any of its subsidiaries for their retail studies or for any other purpose?

Return tabled.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining question stand?

Some hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notices of motions for the production of papers Nos. 4, 5, 9, 12 and 13 are acceptable

to the government, subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the conditions and reservations mentioned by the parliamentary secretary, shall notices of motion for the production of papers Nos. 4, 5, 9, 12 and 13 be deemed to have been adopted?

Some hon. Members: Agreed.

Mr. Speaker: Are the other notices of motion for the production of papers allowed to stand?

Some hon. Members: Agreed.

[*English*]

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND BRITISH COLUMBIA RELATING TO TRANSFER OF VETERANS' HOSPITAL

Motion No. 4—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contracts and/or agreements between the government and the Province of British Columbia having to do with the transfer of Veterans' Hospital in Victoria, B.C.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND BRITISH COLUMBIA RELATING TO SHAUGHNESSY HOSPITAL

Motion No. 5—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contracts and/or agreements between the government and the Province of British Columbia having to do with the transfer of Shaughnessy Hospital in Vancouver, B.C.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND ONTARIO RELATING TO TRANSFER OF SUNNYBROOK HOSPITAL

Motion No. 9—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contracts and/or agreements between the government and the Province of Ontario having to do with the transfer of Sunnybrook Hospital in Toronto.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND QUEBEC RELATING TO TRANSFER OF ST. FOY HOSPITAL

Motion No. 12—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contract and/or agreements between the government and the Province of Quebec having to do with the transfer of St. Foy Hospital.

Motion agreed to.

COPIES OF ALL CORRESPONDENCE BETWEEN GOVERNMENT AND NEW BRUNSWICK RELATING TO TRANSFER OF LANCASTER HOSPITAL

Motion No. 13—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contracts and/or agreements between the government and the Province of New Brunswick having to do with the transfer of Lancaster Hospital.

Motion agreed to.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order with regard to the questions just enumerated by the parliamentary secretary, in particular question No. 764 which I believe covers questions raised by the hon. member for Central Nova with regard to the Statistics Canada matter which the Minister of Industry, Trade and Commerce indicated he would be filing today. Can the parliamentary secretary explain why it has to be made an order for return, as opposed to being printed, in view of the substantial interest there is in this particular matter and the undertaking of the minister to make the fullest possible disclosure of the answer to the question raised by my colleague?

Mr. Goodale: Mr. Speaker, there were two physical difficulties with the answer to the question to which the hon. member just referred. In the first instance, we have been working to try to compile the information requested in the question. It is a rather extensive collection of facts and figures. The material that we have been able to collect so far relates specifically to the responsibilities which the Minister of Industry, Trade and Commerce has in this House. Some parts of the question sought information from other ministers and the agencies of government. That information, although we are sure it will be on its way to us very quickly, is not yet in our hands.

In order to facilitate the presentation of the material which the Minister of Industry, Trade and Commerce wanted to provide to the House as quickly as possible, we felt this was the most expeditious way of doing it. Further, when hon. members see the material which we have just sought to table, they will notice that it is very voluminous. That is one of the physical problems which led us to try to answer in this way.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX

The House proceeded to the consideration of a ways and means motion to amend the Excise Tax Act.

Hon. Donald S. Macdonald (Minister of Finance) moved:

That a ways and means motion to amend the Excise Tax Act, laid upon the table on Thursday, October 28, 1976, be concurred in.

Motion agreed to.

Mr. Macdonald (Rosedale) moved for leave to introduce Bill C-21, to amend the Excise Tax Act.

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

INCOME TAX

The House proceeded to the consideration of a ways and means motion to amend the Income Tax Act.

Hon. Donald S. Macdonald (Minister of Finance) moved:

That a ways and means motion to amend the Income Tax Act, laid upon the table on Tuesday, November 2, 1976, be concurred in.

Motion agreed to.

INCOME TAX APPLICATION RULES, 1971

The House proceeded to the consideration of a ways and means motion to amend the Income Tax Application Rules, 1971.

Hon. Donald S. Macdonald (Minister of Finance) moved:

That a ways and means motion to amend the Income Tax Application Rules, 1971, laid upon the table on Tuesday, November 2, 1976, be concurred in.

Motion agreed to.

* * *

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

The House resumed, from Tuesday, November 2, consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, last night when I called it ten o'clock I was saying that although we on this side were giving agreement to the principle of this bill, it was necessary to find fault with the lack of consultation with consumer groups and with the absence of specific rates and other details which the minister says will be spelled out in the regulations.

I want to deal for a moment today with the unwarranted credit charge rate, which rate is not stated in the bill. It seems that the minister wants to leave the determination of the unwarranted rate to the courts and that in each case it will be determined on the merits of the particular case. This, of course, will clog up the courts. It will put the burden of proof on the lender, which is a complete change from the rule of law in this country whereby one is innocent until proven guilty. Here, the lender will be assumed guilty until he can prove himself innocent. There will be a serious trend here. The tendency of this rule will be to restrict the making of loans to good risks. Further, it will restrict the rights of the bad risks and improve the chance of business going to the loan sharks.

We have always had a matter of choice in our life in Canada, bad as the choice might be. For example, a tenant might prefer to pay a higher rate of interest than is allowed in order to avoid a court order eviction. The minister, in his remarks, referred to the unwarranted rate and said that when the ceiling rates for small loans were lower than prevailing credit market rates, lenders had refused to grant small loans, forcing higher risk borrowers to seek funds from loan sharks. Mr. Speaker, nothing he is proposing now is going to change that situation.

● (1520)

Further on, the minister said interest rates would be set "according to the cost of funds and the risks involved in a particular transaction." This, of course, will be the defence in court. The minister says that if a borrower, after seeking sound professional advice, believes that the rate he is being charged is too high, he can choose to apply to a court for a review of the credit charge and the court will determine whether or not the rate is warranted. But why not make such a determination beforehand instead of going through the courts after the fact? I believe the lender has a right to choose the risks he wishes to accept, and the likelihood is that the source of funds will be dried up to the disadvantage of the very people the minister seems to wish to help.

I turn now to the computation of interest on sums deposited. The minister intends to require the interest calculation to be made on a daily basis. This seems a good idea and I am sure people whose savings vary from day to day will agree with it. However, on examination it becomes evident that this would impose a penalty on steady savers, those who deposit every month, who do not need computation of interest on a daily basis but who will be asked to share in the cost of daily calculation in order to benefit other depositors.

I see a number of other specific problems arising. An administrator is to be appointed. Heaven knows, Mr. Speaker, there are already enough senior bureaucrats around Ottawa. The powers to be given him are enormous. For example, he will be permitted to enter any premises at any time to conduct

audits, seize records, and so on. All this will involve huge cost to the taxpayer. In addition, there are, of course, many clauses in the bill which impose additional obligations on lenders, the costs of which obviously will be passed on to the borrowers.

One noteworthy—I might say "notorious"—feature of the legislation as it affects lenders is that a payment made on a loan is deemed to have been made on the day it is sent by mail. In Canada today, mail sometimes takes weeks to arrive. No exemption is provided in the case of disruption of the postal service, and I suggest that lenders are being made subject to a heavy penalty which is particularly serious when large sums are paid on a Friday after banking hours.

It might be said that I am pitying the lenders too much and that lenders can take care of themselves. However, I would point out that lenders, in the main, are only trustees of funds belonging to small depositors. Union funds are used to make loans. Funds entrusted to trust companies for the care of widows and orphans are similarly used. Life insurance companies are, after all, investing the funds of millions of Canadians. Even the banks, the so-called beasts of the financial world, number many thousands of Canadians among their shareholders.

I want to say a word now about loan-sharking. The minister told us last week that he wanted to help our police forces to fight the ever-increasing crime of loan-sharking. That is a very fine objective. But he did not tell us what loan-sharking is, and the details given in the bill are illusive if not invisible. Perhaps a better picture will emerge when the regulations are forthcoming, but as things stand we are being asked to pass the bill as presented.

In his speech the minister told us the government had not been able to end the activities of loan sharks, and that any rate today was a legal rate. We might ask ourselves why the government did not move effectively into this area during the past 14 years, and why they have not been able to define an appropriate rate. In fact, only the ceilings on small loan interest rates have been removed. We know the industry will get along somehow, no matter what restrictions the government may impose. But why cannot the minister tell us what the criminal rate under this bill is to be?

I am concernced about the methods used by loan sharks to enforce their claims. Certainly, the description of those methods is awful. But tactics of this kind are already illegal—one cannot go around threatening people or beating up people in Canada today. I do not think the minister is correct when he says that the provisions he is putting forward in this respect will really help the police.

The minister did refer to the "criminal rate" in the course of his remarks and said the bill would establish one. But there is no mention of such a rate in the measure before us. He said he would be clear and concise, and that the rate would be of great value to those launching criminal prosecutions. He told us the level would be set well above the rate normally charged in the market. Well, what is it? Evidence given in committee during examination of the Small Loans Act would indicate that the warranted rate is something like 80 per cent. Does this mean that the criminal rate will be 150 per cent or 200 per cent? We are not told, yet there is a penalty clause, clause 38, which sets out in great detail the penalties which can be imposed under the act.

On the subject of tax refund discounting, the minister said such discounting was "clearly an unscrupulous practice". Well, the government has the solution to this problem in its own hands. The only reason for which a person needs to get his tax refund discounted is that he cannot get his money from the government. I suggest there is no difference between a man borrowing on the strength of a promise to pay from the government in the shape of a future tax rebate, and a man borrowing on the strength of a Canadian bond. I read in a newspaper yesterday that certain bonds issued by the government of Canada are being quoted at a discount rate of 72 per cent of their value. That is a fairly normal figure. The most infamous case is that of the 3 per cent perpetuals which are being discounted at $47.

• (1530)

The government has the ability to eliminate this problem entirely. It could accept an application from Canadians in, let us say, November to have an interim calculation made of the amount of tax they will have to pay and they could get a refund. The government has lots of clerical capacity, especially in this day of computers, and so on, to make this calculation. The government makes deductions from wages on the basis of a full year's work. We all know that particularly those workers who suffer hardship and who need to borrow money do not work for a full year. Therefore, I suggest the government owes it to them to make interim calculations so as to eliminate this particular problem.

The minister has been insistent on knowing what suggestions we on this side would make in view of the fact that we are not in agreement with all of his proposals. I have listed a few for the minister and will give them to him now, and no doubt we will be discussing them in committee. First of all, the government has it within its power to control to some degree rates of interest by controlling the rate of inflation. Naturally, as long as the inflation rate remains as high as it is, interest rates are not going to be any lower. We recommend that the government regulate this industry as it does others, but not compete as it does in other fields. We suggest that clear rules are necessary. However, apart from the principles laid out, this bill gives us no clear rules whatever and puts far too much power in the hands of the ministry.

A government that was concerned could regulate in order to require retailers to provide credit at certain rates on all sales that they make on credit. That is the kind of regulatory device that would not require that the government be directly involved. The government should allow the marketplace to set rates; that is, to encourage competition. That, as we have seen in other fields, is the most effective way of providing properly priced services for Canadians.

I have already mentioned the streamlining of the tax system which would eliminate the need for tax refund discounting. It

is obvious that banks and trust companies now compete vigorously to obtain depositors' business. All one has to do is look around in January or February of any year to see the many different rates offered on registered retirement savings plans. Just at the moment, in the present general business climate there is a lot of investment money and plenty of competition for borrowers in the money market. If rates are controlled too much, then credit will not be available to all those who need it, and that is not what the government says it wants.

Finally, on Monday the minister said that he hoped I would be on the committee to help with amendments. All I can say is that I hope the minister is not just being naive, because it has been my experience, Mr. Speaker, during my four years in this House that usually the government does not accept amendments easily, even though in the case of one specific bill in the last session the government approved 54 amendments. Even although the *Globe and Mail* has reported the minister as saying that this in no way is the final form of the bill, I will have to be convinced in committee that the minister is sincere in his wish to have this bill amended. I have never felt that it was the opposition's job to perfect government's legislation and to give the government credit for producing a good bill. However, I shall be in attendance in the committee, and I hope that we will get fuller information at that time so that for the benefit of the borrowers of Canada we can perfect this bill.

Mr. John Gilbert (Broadview): Mr. Speaker, I thought that Bill C-16 would provide me with an opportunity to congratulate the Minister of Consumer and Corporate Affairs (Mr. Abbott) and wish him every success. But having read Bill C-16, all I can do is congratulate the minister on his appointment and wish him no success in regard to the passage of this bill. He has failed miserably and dismally in regard to solving the problem of exorbitant interest rates, commonly called loan-sharking and he has not dealt with excessive interest rates. I can appreciate the problem the minister faced. He is a former corporation counsel, and when he was appointed to this position he had to decide whether he would be an advocate for the corporate boards or whether he would be an advocate for consumers.

Mr. Abbott: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order. The Minister of Consumer and Corporate Affairs Mr. Abbott is rising on a point of order.

Mr. Abbott: Mr. Speaker, I want to point out that if the hon. member wants to describe the defects in this bill, that is his business. But if he is trying to describe the dilemma that I faced personally on assuming this portfolio, he is quite mistaken and out of order.

Mr. Gilbert: Mr. Speaker, I am just giving my interpretation of the problem the minister had. He has the background of a corporation counsel. To me, he must have had a problem deciding whether he would be an advocate for the corporate boards or whether he would be a consumer advocate. Having read the bill, I realize that he opted for being the advocate of the corporate boards.

This is a bill of least resistance to the credit institutions, with little or no protection to borrowers. It is what is known as a candy-floss bill—all sweetness and no substance. I direct the minister's attention to the title of the bill. He has the nerve to call it the borrowers and depositors protection bill. What protection does it give the borrower? What protection does it give the depositor? He should have called the bill the lenders and loan sharks protection bill.

Mr. Abbott: Obviously you have not read the bill.

Mr. Gilbert: The main principle enunciated in the bill, namely, that of protecting the Canadian borrower from loan-sharking and excessive interest rates, will not succeed because it is based on two approaches—on self-policing by credit institutions, and on comparative competition on the money marketplace. These approaches are like asking a starving cannibal to stop eating the missionary. It is like asking the loan sharks to start acting like Sister Theresa. The main principle is wrong and unworkable. It is a surrender to the credit institutions and a rejection of the necessity for basic protection for the borrower, and more especially for people of low income.

All members of the House can quickly and readily agree with the other three principles which the minister outlined in his speech: (a) to provide information with regard to credit and deposit dealings; (b) to eliminate complexities and confusion in the credit field; (c) to regularize and rationalize credit legislation. May I remind Your Honour and all members of the House that these other corrective measures are the direct result of the chicanery, greed and duplicitous dealings of credit institutions. These dealings have required provincial legislation to protect the borrower against lenders, and now we are introducing federal legislation.

● (1540)

Returning to the main principles of the legislation put forward by the minister, protection of the Canadian borrower from loan-sharking and excessive interest rates by imposing self-policing on credit institutions and comparative competition in the money market, if the minister had made the same speech as the hon. member for Windsor West (Mr. Gray), I would be tempted to agree with him. The hon. member for Windsor West cut right into the heart of the problem when he asked whether this measure deals in the best way with loan-sharking and excessive interest rates. The substance of his speech indicates it does not.

It is striking that the hon. member for Windsor West makes far better speeches now that he is out of the cabinet. I suppose the reason is that he can now tell it the way it is. The hon. member for Windsor West reminded the minister of the Liberal policy and program in the 1974 election when they put forward the consumer protection package. The hon. member enumerated some of those principles but he omitted two main parts of the Liberal program. I shall point them out to hon.

members because I am sure they would like to have their memories refreshed.

In the 1974 election campaign, the Liberal party said that it would have a loan insurance scheme for low-paid workers who could not establish a credit rating. Second, the Liberal party said it would have consumer-help storefront offices the number of which would be increased to 20 by the end of 1974. The hon. member for Windsor West did not mention these two main items in the Liberal program. The reason is that the Liberals do not have them. They have established no storefront credit counselling offices to help people who are borrowing money and to make them aware of interest rates and some of the nefarious schemes of credit institutions. More importantly, the Liberal party has not adopted the other principle, that is, loan insurance for people with low incomes who have difficulty obtaining loans.

The minister said he is going to protect people against loan-sharking and excessive interest rates by having credit institutions police themselves. Have hon. members ever heard of such an approach for protecting borrowers from loan-sharking and excessive interest rates? The government is asking the very people who are guilty of these practices to police themselves in order to protect the borrower. The minister is relying on those credit institutions.

Let me tell the House about banks. What is the practice of banks with regard to paying interest on deposits? Twice a year they pay interest on the lowest minimum deposit in depositors' accounts. The banks talk about red convertible loans in times of inflation. The minister is asking these institutions to police themselves in order to protect the borrower. Let us consider the front-end loading charges and service charges, the costs, the credit reports, the prepayment charges and the misleading advertising as to rates of interest of finance companies. Let us consider the kickbacks car dealers receive for turning over credit notes to finance companies. These are the finance companies we are asking to police themselves in order to protect the borrower against loan-sharking and excessive interest rates.

By exhortations and warnings, the government is going to ask loan sharks to lower their interest rates. The government is going to do this in the face of recent releases by the minister and a speech by him saying that loan sharks charge in excess of 1,000 per cent to borrowers who are disadvantaged and must seek high-risk loans. The minister suggests a rate of seven times the prime rate. The prime rate for loans in Canada at the moment is 10 per cent, so the minister is saying that as long as lenders charge a rate less than 70 per cent or 75 per cent, they are not charging the criminal rate.

The minister is asking these people to police themselves with regard to loan-sharking and charging excessive interest rates. Can we rely on bank officials, finance companies and loan sharks to protect the borrower? The answer is no. I am surprised at the naivety of the minister in thinking that these groups are capable of self-policing. Their past practices have forced the minister to write into legislation the need to inform and protect the public with regard to information on credit and deposit dealings and the need to define strict and uniform rules to protect borrowers and depositors respecting effective rates of interest. This is why relying on credit institutions to police themselves will not work.

With regard to the second principle the minister has enunciated, competition in the money market, the minister feels that by some strange osmosis we are going to have competition in the money market. We have never had real competition in the money market. Bank rates are exactly the same for their three different types of loans. With regard to finance companies, they are practically the same, and loan sharks do not use competitive rates. There has never been any real competition in the money market. Any competition has been on a service basis only, never on an interest rate basis. The result has been slick advertisements by financial institutions which say, "We are your friendly finance company", or, "Don't borrow money needlessly". For a former member, a great hockey player and a great coach, Red Kelly, to advertise on behalf of Beneficial Finance does not do him or advertising ethics any credit.

Mr. Knowles (Norfolk-Haldimand): It puts money in the bank.

Mr. Gilbert: It is quite true that it puts money in the banks and finance companies, but we must remember that all this advertising gimmickry is a cost factor to be included in interest rates. Competition has been illusory or non-existent. What is the defence of the minister? He says that if a person has been overcharged, he can take court action or default on his payments and force the lender to sue him. What bravado by the minister! Can hon. members imagine a low income worker having sufficient bravado to say, "Let them sue me; let them take me to court and I will prove that they have charged excessive interest rates"? What would be the result? In the first instance, it would be no contest because of reluctance by the borrower to sue and because of the legal costs involved. Second, the possibility or probability of blacklisting or blackballing the borrower by lenders in the future would be very real. The third result is the probable action by these institutions in respect of contracting-out provisions in the loan agreement.

● (1550)

We have had experience with regard to contracting-out and warranties given by companies concerning goods. We have had contracting-out with regard to leases under the landlord and tenant act. The law says that the landlord shall not unreasonably withhold consent to transfer, but we have found leases which contain clauses in respect of contracting-out. We will find the same thing with loan agreements and credit applications. I am sure the minister will jump quickly to the defence in this respect and say he has a provision within the act which will prevent contracting-out.

There is a very practical problem with regard to contracting-out. I can see the wording that will be in the agreement. The borrower will say he is satisfied and accepts the interest rate therein and will acknowledge that the "Meet 'em and

Cheat 'em" credit company has taken into account all the provisions and criteria set forth in the protection of borrowers and depositors act and he hereby waives his right to independent advice and any or all legal proceedings. That is an example of the typical contracting provision that we will find. In any contract we will find that provision. It will contain the amount of the loan, the interest chargeable, and the payment date.

The minister says that in his legislation, in order for the borrower to use such an instrument as a defence, or if the company is to use it, the company shall give 15 days' notice if the action is to be commenced. I say that provision will be part and parcel of the contract. Under the ordinary rules of evidence, if the borrower is to prove excessive rates he will have to file the agreement in order to show the terms of the contract, and by putting that provision in he is consenting to the terms of the contract and to the contracting-out clause and is thereby limited in his defence.

We have had experience with regard to the unconscionable transactions act of Ontario. We know there have been very few actions under that act and very few successes. The reason is that the people who draw up these contracts consider all the possible defences of the borrower and tighten the contract to the point where the borrower has little or no hope of success when he goes to court. We will have the same results in respect of any action a borrower may take with regard to excessive interest rates. For these reasons, my colleagues and I think the bill is a sham and constitutes a surrender to the credit institutions.

Let me deal with one final argument the minister set forth in his press release. The argument goes like this: the credit institutions have a certain investment in dollars. They are in the business of making a profit. I do not use the word "reasonable", because they make unconscionable profits. If they cannot make these profits in the credit field, they will go elsewhere to invest their moneys, and what a tragedy would befall the poor, defenceless borrowers: this is the argument of the minister. It is much like the argument of the little boy who had a ball and said, "If you don't let me play the game my way, I will take my ball and go home".

We have had similar experience in the building field. In recent months builders have said they do not like the economic and taxation climate in Canada and therefore they will go to the south. They have gone to the United States to invest in real estate and building to the tune of $1½ billion to date. This is the type of attitude the builders have, and it is the type of attitude the minister thinks the credit institutions will take, that is: if you do not let me make all the profits that are obtainable, I will not invest in the field and the poor people will suffer.

Surely the making of a reasonable profit should be the basis of credit lending in Canada. It should not be an unconscionable profit; it should not be usury. How much is enough? When one sees the profits that the various finance companies and loan sharks make, it is evident that they are more than enough. There is a social responsibility on the credit institutions to use the moneys of Canadian depositors and investors

to the fair advantage of both borrower and lender. There is a biblical proverb to the effect that the borrower is the servant of the lender. In Canada, the borrower is becoming the slave of the lender. I remember George Bernard Shaw in one of his books saying that the rich man will do anything for the poor man except to get off his back and keep his hands out of the poor man's pocket.

Members of the New Democratic Party have a different approach to the problems of excessive interest rates and loan-sharking. We would replace the approach of the minister, of self-policing and the competitive money market aspect with four things. First, we would institute the requirement of loan insurance for the borrower. Second, we would impose ceilings on loan amounts and interest rates. Third, we would have a massive program of budget counselling in schools, churches, social agencies and community centres to teach budget counselling. Fourth, we would appoint a credit ombudsman to protect the borrower and to license, regulate and control the lender by use of court action by the ombudsman, by the use of class actions and by the use of cease and desist orders and consent orders.

Let me speak briefly on the four principles we would adopt. First, the requirement of loan insurance would be a cost factor in determining the rate of interest. This is not new. As I reminded the minister, this was part of the Liberal program in 1974. I shall read this, Mr. Speaker:

> —loan insurance scheme for low-paid workers who cannot establish a credit rating.

This is what the Liberals said they would do in 1974, and it is what they are not doing in 1976. The federal government uses loan insurance in a variety of ways. First, it uses it in the mortgage field; all NHA mortgages and CMHC direct loan mortgages and AHOP mortgages have insurance. The purchaser pays a premium of 1 per cent of the loan. It has been a success with regard to default in payments by the borrowers. It is what is known as "spread the risk". The federal government uses it in respect of student loans, small business loans, farmers' loans, and fishermen's loans—to protect whom: to protect the banks and other institutions with regard to default by a student, fisherman or farmer.

The government is prepared to protect the banks against default by the borrower. The government is prepared to protect multinational companies such as International Nickel when loans are given by the Export Development Bank to stimulate exports. When loans are given by the Export Development Bank to stimulate exports, the government says to International Nickel, "We will provide insurance against a company in any other country defaulting on its payments". The government is assuring payment to the multinational corporations.

● (1600)

The final insurance aspect is deposit insurance, that is, to protect bank depositors from the bankruptcy or failure of a bank. Surely, if we can protect the banks against default by borrowers, we can give the borrower some protection against

the lender. At this stage, the banks, some finance companies and credit unions use a limited form of loan insurance in case of the death of a borrower. If a borrower dies, the loan is paid up. There is no reason why we cannot adopt loan insurance, especially for low income workers. If that is the case, how does it affect the problem of loan-sharking and excessive interest rates? It spreads the risk, which is the principle of insurance, and it should, and would, reduce high interest rates because it would sweep away the argument of the banks, the finance companies and the loan sharks regarding high-risk loans.

It would result in a reasonable return to the lender and a reasonable and fair chance of repayment by the borrower. It would rid us of the problem of determining the unwarranted rate or the criminal rate, and it would rid us of loan sharks.

You, Mr. Speaker, have the right to ask what happens if the borrower does not pay loan insurance. It is obvious that no further loans would be made to him. This is the practice with regard to student loans. A constituent of mine who went to university back in 1972 and borrowed money for it, quit the university in 1974 and did not pay back his student loan. In 1976 he wanted to go back to university to take a course and he applied for a student loan. He was advised by the administrator of the fund in Ottawa that he could not get a loan because he had already an outstanding loan. Surely that principle should apply to borrowers under this act, because no person has the inalienable right to borrow. Before a person borrows, he must establish need and he must establish himself with regard to the risk; he must indicate a payment record. In those circumstances, the borrower would try his utmost to repay the loan. I am amazed at the number of people who go to finance companies and are most anxious to maintain their credit rating. They try their darndest to keep up the payments.

If we had loan insurance, we would have no multiplicity of loans with finance companies. It is rather sad to have people come into my constituency office with credit problems. When you ask what credit they have outstanding, you find they have loans with different finance companies, sometimes three or four of them. If we had loan insurance we would not have such a multiplicity of loans with different finance companies. In certain circumstances we could impose a requirement on a borrower to take budget counselling when necessary.

With regard to the second proposition put forward by the NDP for the imposition of ceilings on loans and on interest rates, we agree with the loan amounts imposed by the Consumers' Association of Canada of $7,500 plus a consumer price index adjustment. We have the same approach with regard to AHOP loans. Those loans are adjusted from time to time and there is no reason why a ceiling of $7,500 cannot be imposed with a consumer price index adjustment.

I have heard it said by the minister and by some members of the House that the Small Loans Act did not work. It is the intention of the minister to rescind the Small Loans Act. The reason the act did not work was that it was circumvented by the lenders. What would happen if a person went to a credit institution? They had a limit of $1,500 on loans. A person would asked for a loan of $1,000 and the credit institution would say to him; "No, we will not lend you $1,000"—the reason being that $1,000 would bring low interest rates—"but we will lend you $1,600, $100 over the limit of $1,500, and we will charge you 25 per cent". That is the reason the Small Loans Act did not serve the purpose for which it was intended. It was circumvented, not by the borrower but more especially by the lender. All that had to be done was to adjust the loan limits under the Small Loans Act and in some cases adjust the interest rates. It makes no sense to rescind the Small Loans Act and say it did not work, we know it was circumvented by the lending institutions; let us make no mistake about it.

The practice of credit institutions is to impose different loan interest rates on different customers. But the banks have different types of loans. They have business loans, on which they usually charge a prime rate of about 10 per cent, they have consumer loans at 13 per cent and 14 per cent, and they have mortgage loans which are at the moment 11½ per cent, and farm improvement loans which are practically the same, 11½ per cent. Banks serve a business community and the middle and upper classes, but they have limits on the amount of the loan and limits on the interest rate.

Finance companies deal in consumer loans and they have limits on the amount of the loan and on the interest rates, and usually the interest rates vary from 24 per cent to 33 per cent. They serve the low income and the lower middle income people who have a basic fear of the banks and therefore go to the finance companies. Then there are the loan sharks who impose their own rates. According to the minister, some of those rates are 1,000 per cent. They impose them on the poor and disadvantaged. Some might say that those are not loan limits or limits on the interest rates, but they are market interest rates. I rather doubt that there is any competition with regard to the market interest rate, because banks get the money from the depositors and lend it out at the highest rate they can obtain. There may be a little competition, but not much. What do finance companies do? They borrow from banks and add on to what they pay to the banks to make their profit.

● (1610)

Mr. Speaker, if the minister is worried about the competitive rates of the banks, all he has to do is use them and add a reasonable rate of return by banks, finance companies and loan sharks. When the former finance spokesman for the Conservative party sat on the Standing Committee on Finance, Trade and Economic Affairs in 1967, he knew that there was a formula for interest rates which was used for CMHC mortgages. It was the rate of return on Canada savings bonds, plus an adjustment of 1½ per cent or 2 per cent. So there is no reason the minister cannot use the basic prime rate imposed by the banks and add a reasonable rate of return. Anything beyond that is unwarranted, unjustified and criminal.

I am rather impressed with the minister, Mr. Speaker, because I think he is morally a very fine gentleman. I find it morally reprehensible, however, that he puts in his press release a suggestion of seven times the basic interest rate to determine the warranted rate.

Mr. Abbott: Mr. Speaker—

The Acting Speaker (Mr. Turner): The hon. Minister of Consumer and Corporate Affairs (Mr. Abbott) on a point of order.

Mr. Abbott: Mr. Speaker, I wonder if the hon. member would allow me an intervention?

Mr. Gilbert: Certainly.

Mr. Abbott: Mr. Speaker, I have not anywhere in a press release or the bill suggested a multiple of the prime rate. I should like the hon. member to understand that. It was members of the opposition who suggested a high rate of interest.

An hon. Member: Your member said 70 per cent.

Mr. Abbott: Who did?

An hon. Member: Your member.

An hon. Member: Windsor West.

Mr. Abbott: The hon. member for Windsor West (Mr. Gray)? That is his business, but he is not a member of the government and I am not taking my orders from him.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Gilbert: Mr. Speaker, I think the least the minister can do—and he did not do it in his speech—is to set out what he thinks would be a reasonable rate of return over and above the basic interest rate. That is all I am asking. I am almost positive I read that in one of the press releases from his department. I notice that the Conservative members used it, and I notice that the hon. member for Windsor West (Mr. Gray) used it.

Mr. Peters: Even I used it.

Mr. Gilbert: My colleague, the hon. member for Timiskaming (Mr. Peters), used it.

Mr. Abbott: That confirms it is false.

Mr. Gilbert: It was not drawn out of a hat. After I finish speaking I shall get it from the press release and send it to the minister, or if I have made a mistake I shall apologize. Conservative members and New Democratic members suggested it was seven times the basic rate. It might not be a criminal rate, but when it is suggested that it amounts to 70 per cent or 75 per cent, I say it is morally reprehensible.

Mr. Abbott: That is not true.

Mr. Gilbert: In his speech the minister failed to state what in his opinion would be the warranted rate, and I urge him now to tell us what he thinks the warranted rate for banks, finance companies and loan sharks should be to enable them to make a reasonable profit. He says this information will be in the regulations, but that is not satisfactory, Mr. Speaker. Last night the hon. member for Windsor West said that before we have any further discussion on this bill, the least the minister should do is set forth the regulations he proposes. I am concerned about this, because we want to protect people against loan-sharking and excessive interest rates. The New Democratic Party would do this with loan insurance for low income borrowers, limits on loans and limits on interest rates.

The Acting Speaker (Mr. Turner): Order, please. I regret having to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Gilbert: Thank you, Mr. Speaker, and I thank my colleagues. I shall not take more than five minutes. The New Democratic Party's proposition is a far better approach than that of the minister, that of self-policing in the competition of the money marketplace. We would have a massive program of budget counselling, but not the type the hon. member for Vancouver South (Mr. Fraser) was worried about yesterday. Surely not every borrower needs to take a course in budget counselling. We say this should be instituted in the schools, community centres, credit unions and churches so that people would get a good idea of how budget counselling works.

We propose the appointment of a credit ombudsman, separate and apart from the minister. I am not the least impressed by the appointment of an administrator who would be an arm of the minister and an arm of the credit institutions and would afford little or no protection to the borrower. I propose a credit ombudsman to license lenders, impose cease and desist orders, consent orders and to put some strength into this matter.

Mr. Speaker, I have to give some credit to the minister on the matter of interest on bank deposits, but surely there should be a daily interest rate instead of the present practice where banks give interest on the lowest minimum balance every month, payable twice a year. I notice many of the credit institutions have agreed to this proposal, and I was surprised to hear some members speaking on behalf of the banks trying to make out that this is a difficult system. Many of the institutions are doing it already, so it is no problem.

With regard to the privilege of the repayment of mortgage loans at 10 per cent on the anniversary of the interest payment for the first year, 10 per cent on the principal payment of the second year, and all or any on the anniversary of the third year on payment of three months' interest, I find this a very interesting provision. I should like to know how many people with CMHC mortgages, and how many with NHA mortgages—which are government insured—have taken advantage of that privilege.

Members might be interested to know that on a $50,000 mortgage, at the current interest rate of 11-¾ per cent for a period of 25 years, which is how long it takes the average person to pay off a mortgage, the monthly payment of princi-

pal and interest is $498.54. After 25 years the mortgagee has paid, in principal and interest, a total of $143,562. I am not too impressed with that "privilege" clause, Mr. Speaker; it is just a sop. If I were minister of consumer and corporate affairs I would be more interested in bringing down the interest rate so that people who buy a home are given a reasonable chance, with reasonable payments, to pay it off in a reasonable time.

● (1620)

Finally, I say this bill has little to commend it. The saying, "Neither a lender nor a borrower be" should be, "Never a borrower be, under the provisions of this bill." The minister made a tragic mistake when he insisted on calling the bill the borrowers and depositors protection act. To be honest, he ought to have called it the lenders and loan sharks protection act. I congratulate him on his appointment, wish him no success with passage of the bill, and give him this advice, "Consult the people in the department and return to this House with a bill of which you and we can be proud, a bill which will protect borrowers fairly and will limit the gouging of lenders."

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, it is always pleasant to rise after the hon. member for Broadview (Mr. Gilbert) has spoken in this House. As usual, he presented his own version of Alice in Wonderland and, in suggesting what he did, went wandering about in the clouds. I should think we would be in general agreement with the purported aims of this bill. No one is compelled to be a borrower, Mr. Speaker. Those who borrow today perform a conscious act. They know that they have not got the money to buy what they want, so they borrow to take a trip, to go on holiday, and so on. They even borrow money to go to the races. People borrow money for all sorts of foolish pleasures. An examination of the history of credit will show, I think, that the number of borrowings which are justified and not justified is about the same.

To say that everything is loaded on the side of the lender is wrong. I admit that some unconscionable lenders operate on the fringe of credit granting. But there are just as many, if not more, unconscionable borrowers—skippers, people who borrow with no intention of repaying. They are drifters, grafters, people who abscond with goods originally bought on time. They are dishonest, and what they do is no better and no worse than what the unconscionable lender does.

From time to time legislation like the Small Loans Act and the Interest Act has appeared on our statute books but has gone by the boards. These laws are out of date because inflation has been allowed to take such a free run in the economy and the amounts recited in those acts are no longer relevant. Now the government of Canada has come forward with a bill which I say is largely cosmetic. It acts as if it has sole responsibility in this field. Actually, statutes passed by the provinces, particularly by Ontario and Alberta, have covered most of this ground for 20 years. Those provincial laws are still adequate.

Let me illustrate my experience with the Alberta legislation. I remember, as solicitor for a department store, participating in negotiations with the then attorney general as to terms which would be included when any document, conditional sales agreement or chattel mortgage evidenced the purchase of big-ticket items. Provisions in provincial laws are better, I think, than the ones contained in this bill. Yesterday I asked the minister a question to which he failed to reply. I will ask it again: Does he believe that this legislation will override pertinent legislation existing in almost all provinces and covering property and civil rights? Have we developed another version of the theory that father knows best, or big brother knows best? Does the minister believe that the legislation is superior to and overrides, for example, the credit and loan agreements act of Alberta which came into force in about 1955? I invite the minister and his officials to read what is meant by time sale agreements.

Bill C-16 purports, with a great deal of horn-blowing, to represent itself as the new charter for those buying on time. Nothing could be further from the truth. Both the Alberta and the Ontario laws have for many years required all this disclosure. Actually, provincial disclosure requirements are more honest than those proposed by the minister or by his advisers who may have put certain words in his mouth, words which I think he may want to reconsider. I refer to the minister's words as reported at the foot of page 635 of *Hansard* for November 1:

> It is now possible for lenders to stack a variety of other charges on top of the quoted cost of borrowing. Insurance premiums, various administrative charges, legal costs, registration costs and the like are very often charged to the consumer and, in most cases, excluded from the calculation of the cost of borrowing. As a result, the consumer is not apprised of the real interest burden that he actually has to carry.

I repeat what I said previously, the minister is lumping together apples, oranges, cherries, bananas and other things in the same basket. The point is that provincial legislation in Alberta and other provinces provides that if a big-ticket item, such as furniture, is sold pursuant to a conditional sales contract or a chattel mortgage, such document, to be enforceable, must be registered. Usually it is registered at the courthouse, at a rate set by the provinces which depends on a sliding scale, the amount of the purchase, and so on. That is part of the cost of borrowing.

Another cost is that of insurance. It is there for the protection of the borrower in the event that he or she should die and the family should be faced with a claim. Remember, under a time contract or chattel mortgage the lender or vendor is not limited to repossessing the goods. There is an obligation to repay the money, at the election of the lender or vendor. There could be an unpaid balance, under a conditional sales agreement, of many thousands of dollars for an automobile, tractor or combine.

● (1630)

I am sure that a farmer purchasing a combine today costing thousands of dollars would be most happy to have a few dollars of insurance costs that guarantee his estate would be protected

from any unpaid balance should he die before completing the payments under the contract. That is only sensible. There are other legitimate charges, such as the cost of doing business, and legal costs. After all, the loan is not for the sole benefit of the lender; it is the borrower who wants to borrow the money. I am sorry that the minister left to attend a meeting, but I would like, from his parliamentary secretary or his officials, clarification of this part of the minister's remarks on Monday afternoon.

Charges such as insurance, registration charges and legal costs are certainly costs of borrowing. No one denies that. However, to then say that was the real rate of interest, in other words, that legal costs, insurance costs and registration costs are really interest costs, is poppycock. It is misleading. For a person concerned with the Department of Consumer and Corporate Affairs it is totally irresponsible to make such a statement in the House.

I wish to deal with the three main goals of the minister. I am going to comment on the first two. I quote the minister:

The first is to impose uniformity in the practices used for the calculation, crediting and description of interest on all those who take deposits from or make loans to consumers in Canada, and to require a full, uniform and comprehensible disclosure system so that the consumer, before he enters into a deposit or borrowing transaction, will know all his rights and the obligations he will have to bear.

Will this legislation override the credit and loans agreement act of 1967 of the province of Alberta, should it vary in any pertinent detail, or the consumer protection act, Revised Statutes of Ontario, 1970, particularly regulation No. 128 which details it? It may be that the regulations which will form a great part of Bill C-16—and we have seen but the tip of the iceberg—will be apparent in the legislation of some of the provinces. I suggest there may be a real battle. Somehow or other, Big Brother has said we are going to pass an act in this House of Commons in a jurisdiction that is undeniably that of the provinces and has been for well over a century. The provinces will all have to line up, touch their forelocks, bend the knee and say that the federal legislation is going to override their legislation, and they will conform.

If it is the desire to establish uniformity, let the minister say that he and his officials are going to convince the appropriate ministries in the provincial governments to establish uniform legislation. That would be a positive act, and I would agree with it. However, to say that this bill will establish such uniformity is sheer poppycock. I again quote the minister:

The second goal is to facilitate the proper functioning of the market by encouraging more vigorous competition and providing the consumer both with protection and with the right of civil recourse.

We will see whether there is greater accessibility of credit for potential borrowers. We will see whether there will be meaningful civil recourse against unconscionable contracts.

Thirdly, this bill will establish a clear and easily provable criminal offence to act as a strong deterrent to the cancer of loan-sharking that has spread throughout this country.

Why not amend the Criminal Code, if loan-sharking should be a criminal offence—and it is not at the present time. We have bills like Bill C-83, of non-lamented fame, of the last session. Loan-sharking could have been described in that bill and made part of the criminal law, something the minister is trying to do under this law. There is one thing about a lot of this regulation and the so-called attempts to increase competition by increasing regulations and making it more difficult for lenders to operate. There is something that does not click in the bureaucratic mind. Every regulation requiring an act on behalf of a manufacturer, distributor, supplier, merchant, lender, or what-have-you, results in a cost. Who pays it? The consumer—the very person this legislation is alleged to benefit.

Take the banks and the trust companies which are already covered by a great deal of legislation, inspection and practice, and impose further requirements. Has any one of the people who talk about the daily calculation of interest determined how much it costs to calculate that interest, verify it and balance the books? Many years ago, for some two years I exercised what little grey matter I had—

An hon. Member: It's all gone now.

Mr. Lambert (Edmonton West): It became honed-in very well, compared to the stuff you people put out. I worked on interest rates as a bank clerk. Hon. members may remind me how long it used to take to figure that out manually some 35 years ago. I am reminded of the hours and the days and the cost involved in calculating interest; and in those days it was 2½ per cent on savings accounts. I remember, also, calculating interest at 1½ per cent on savings accounts. That was done on the minimum quarterly balance, as I recall it. Later, the calculation was made on the basis of the minimum monthly balance. So I can tell hon. members just what is involved in the cost of calculating interest payments, bearing in mind the far greater volume and complexity of savings accounts today. We say to the banks and to the trust companies, "Just calculate this interest on a daily basis." Well, perhaps they will calculate interest on loans on a daily basis. Let us see, then, if the smile goes on the other side of the face. This is a two-edged sword.

● (1640)

If costs for the operation of savings accounts go up because of the requirements of this bill, all that will happen is that the interest spread will have to be widened. In other words, the interest rate will have to be lowered. It is not the banks which are going to pay for this. Moreover, if there is a decline in profits, the federal treasury will suffer because 50 per cent of this additional expenditure will be deductible from taxable income. Thus, in the end, the requirement could be self-defeating; I think the bottom-line figures on the balance sheet would be zero or something less. It sounds good and it reads well but, frankly, it is a purely cosmetic operation as far as the consumer is concerned.

I thought I would go over the list of legislation in the two provinces to which I referred, Ontario and Alberta. In Ontario, the first is the personal property security act. These are all in the Revised Statutes of 1970; I do not know when they may have been passed in their original form. Then there

is the credit unions act, the mechanics liens act, the conditional sales act, the loan and trust corporations act, the consumer protection act and the bills of sale and chattel mortgages act. In the province of Alberta there is, as I recall, the judicature act, the mortgage brokers' regulation act (1964), the direct sales calculation act (1966), and the credit and loan agreements act (1967). There are any number of parts to that act, one which from the consumer's point of view is a real refuge. It is said that some provinces are havens for the absconding debtor, the person who buys on time and then wants to beat it.

On the other hand, do you not agree, Mr. Speaker, that business losses incurred when customers do not pay their debts must be recovered at other points in the operation if the company concerned is to stay in business? This is what happens when, for example, an automobile dealer makes a loss in connection with a car he has repossessed or when one of his debtors absconds. Such losses have to be taken into consideration in the course of other transactions, otherwise the dealer will go under.

The situation is the same for a furniture dealer, a radio and television dealer—any type of store or business operation which operates on credit. If things are made too easy for the so-called poor borrower or poor purchaser, one of two consequences will ensue. Either the business will become more discriminating in granting credit, thereby narrowing the field for borrowers—an effect which is counterproductive to the bill before us—or losses will be such that additional costs will be placed on the shoulders of consumers. There is nothing like sharing the load! Again, I submit that this is counterproductive to the spirit of this legislation.

Society certainly has the right to ask that when there is a transaction all relevant information should be clearly stated. In the case, say, of the purchase of a refrigerator, the cash price of the unit in question should be stated. So should the price with trade-in, if a trade-in is involved. Then there will be the dates and the amounts and number of regular payments, payments which may be blended so as to include interest, or calculated on the basis of a declining amount of interest, leaving a balance to become payable on such and such a date. To the amount to be paid there would be added the cost of a credit report, if it is part of the transaction, as well as the cost of insuring the purchaser, if such were part of the contract. Registration charges, if required by provincial law, would also be listed and, finally, the total cost.

Having arrived at that figure, it is simple to take the cash price of the product, subtract it from the total cost and arrive, by simple mathematics, at the cost of borrowing, the cost of the transaction. It is spread over so many months. I do not underestimate the capacity of a purchaser who buys a refrigerator to understand the type of contract in which this is spelled out. Incidentally, there are many provinces in which a person buying under such a contract has the right to go back within, say, five business days and say that he is sorry, he has changed his mind. I do not see that provision in this bill, but it may be the answer sometimes to the practices of some pretty high pressure salesmanship. Salesmen of home appliances, automobiles, radio and televisions are pretty skilled. They have to be; theirs is a highly competitive world. Take the case of a purchaser who cannot afford to buy. He goes back home, talks to his wife and says, "What were we thinking about? Buying this is absolutely crazy". Having reflected on the matter, he can go back and say to the salesman, "I am sorry; we have changed our minds".

• (1650)

That, Mr. Speaker, is the ultimate protection and I am quite prepared to see that here. When it comes to the purchase of an automobile, every blessed cent of the cost of that vehicle which will go into every monthly payment should be listed in appropriate columns—no fine print so small one almost needs a magnifying glass to read it—so the figures are there in tabular form before the purchaser, readily explainable to him or her. That I would agree with, and it is provided for in some provinces.

Are we going to see such provisions as this in the regulations, Mr. Speaker? My colleagues have expressed some concern about the regulations, and I hope the minister will break with tradition and disclose the regulations during the committee hearings. After all, this is not a bill that was dreamed up two weeks ago and is being rushed through; we have been hearing about it over eons of time almost. I am sure the department has had every opportunity for consultation and examination of provincial legislation which has preceded this measure by up to 20 years. I have before me a copy of a letter dated October 20 from the Consumers' Association of Canada which raises some points of query about which there is legitimate argument.

My final point, Mr. Speaker, has to do with loan-sharking. It sounds great to say that there are going to be penalties imposed on loan sharks. But it is not so much the loan-sharking that is the bad thing; it is the coercion and the efforts at extortion today that are so reprehensible. These are the offences of which people are convicted.

Does anyone in their right mind believe that there is going to be a written agreement between a lender and a borrower who enter into a transaction on, say, the docks in Montreal, where there has been evidence of loan-sharking? What about a transaction that takes place on some construction sites, where judicial inquiries have elicited that loan-sharking has been carried on by various individuals both inside and outside the industrial personnel? Will there be any agreement between gamblers and among the underworld where this type of operation known as loan-sharking takes place? Do you think, Mr. Speaker, that an agreement will be signed between a lender who is going to put up, say, a couple of thousand dollars for some poor fool who has gambled away that much money with a bookie, and that enforcers will collect this loan? What if he says, "No, I am not going to pay; you take me to court?" What will happen to him will be the baseball bat across his legs and arms. That is what happens under loan-sharking.

I say that combating loan-sharking is no function of a bill of this type. Give the police the authority to deal with loan

sharks. Put it in the Criminal code where it belongs. Then we will not have to go through all this nonsense of talking about agreements and civil recourse. In that league, Mr. Speaker, there is no civil recourse. Where does one imagine so-called loan-sharking is carried on? There may be usurious loan practices carried on at times among some pawnbrokers, but in such cases what was the purpose of the loan? Was it necessary to pay the rent or to buy food? Not all of those transactions is so, shall I say, humdrum and for such a useful purpose, not by a long chalk. Such transactions usually are on the wrong side of the law or for some purpose that cannot stand examination by the light of day. Let us put this kind of activity under the Criminal Code. I hope we can persuade the minister that he should try to persuade his colleague, the Attorney General, to include appropriate provisions in the bill that is to follow what was Bill C-83.

We should send this bill to committee. The principle of it is to amend certain acts. We are going to repeal the Small Loans Act and do a number of other things, but the principle of the whole bill is to amend certain acts. That is fine; I am quite agreeable to it and the bill should be sent to committee. Outside of that though, Mr. Speaker, I think this is a very cosmetic bill which will not accomplish the purpose the minister has set out for it.

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, I should like to begin by commending the new Minister of Consumer and Corporate Affairs (Mr. Abbott) for bringing forward this bill as his initial piece of legislation on entering the cabinet. I think he has established a legitimate beachhead from which to launch his ministry. We may well disagree with some points in the legislation, but we certainly agree on the necessity for it. I hope he will be open-minded enough to listen to what members have to say during second reading debate, that he will listen to the proposals that are made, and gather together some of the hints that members offer relative to the amendments that he should expect at committee stage and at report stage.

● (1700)

I hope he will be open-minded enough to realize that even the best minister cannot bring forward perfect legislation, and that it is not a sign of weakness to allow amendments later on, but a sign of strength. Again I congratulate him for bringing forward this piece of legislation. It is his responsibility to act on behalf of the public to protect either the unwary or the defenceless, and not to encourage or reward unrestrained impulse buying.

The kind of legislation we are discussing lends itself to the creation of many victims in the marketplace. The very term "consumer", which is part of the title of the minister's portfolio, gives us some hint as to what the marketplace thinks of the ordinary individual. He is no longer a person or a human being; he is now completely depersonalized and is simply a consumer. The term has obviously been invented by some unfeeling genius of the market system whose responsibility it is to provide devourers of the unending array and supply of gadgets spewed out by the industries which have hired these callous hawkers of the marketplace. It is not the responsibility of the minister to encourage that kind of depersonalization in the marketplace. Rather, it is his responsibility to humanize the whole process by which we buy and sell.

The bill sets out the responsibilities of a lender and puts on him the onus to disclose certain very important information, such as the total amount of the loan being discussed, the total amount of repayment, the dollar amount of interest per annum, the effective annual percentage rate, the amounts and rates of payments to be made to the lender or to a designated third party, the conditions regarding payment of penalties and the computation of the same, and the effective date of the beginning of the transaction.

It has been said that the only thing money cannot buy is poverty. I suppose at one time that was true, but in the market place and in the marketing system today that is already becoming a contradiction because of the ready availability of debt or finance. Indeed, today money can buy poverty.

I would like to address myself for a few minutes to the whole business of consumer finance as it relates to the credit card system. I do not suppose there is a member in this House who does not use a credit card; they are a very convenient way of buying.

Mr. Parent: I don't.

Mr. Friesen: I see there is an hon. member opposite who does not have one. I respect him for that. I respect his self-control.

Mr. Parent: I can't get one.

Mr. Friesen: The hon. member says he cannot get one. I suppose he cannot pass the character test. Perhaps he has come to the point, as other people have, where obviously his credit must be good because he owes everybody. However, in all seriousness I think anybody who can resist the pressure to borrow is to be commended.

I was talking to the minister just today about the fact that there is too much pressure on the public to apply for credit cards. There is unending pressure through television ads, magazines end even the mail service. At the present time the post office is operating, but it is strange that credit is now possible even through provincial schemes. Where the credit card companies get their mailing lists, I do not know. It would be interesting to find out. The fact that a credit card company can mail out credit cards or applications for credit cards is something which deserves serious examination by the government. It seems that consumers face no relief from the endless barrage of credit card companies saying how easy it is to borrow and how good and how convenient it is. We see happy young people pictured flicking out credit cards and making purchases, but there is never any mention that the rate of interest is 18 per cent or 24 per cent.

We see these people walk away in ecstasy, but we do not see them getting their statements at the end of the month or

paying usurious interest rates. I think the government has a responsibility to put a curb on this pressure which is always facing the consumer. I know we are not dealing with such things as subliminal advertising, but the private citizen no longer seems to have the freedom of independent decision. He is being pressured and conned into making decisions and he is caught off guard. I know we cannot endure a "buyer beware" market, nor can the government be paternalistic in this sense and protect the public from all the pitfalls there may be, but I think the government has some responsibility and should have these companies exercise restraint in this area.

Just last week when I was home I went through some of my mail and came across a letter from Master Charge. I do not even have a Master Charge card, but that letter in effect said, "Congratulations, it is now possible for you to borrow up to a limit of $1,500". I never even asked for that privilege. These companies are inviting people to go into debt. The government has a responsibility to put pressure on such companies to restrict that kind of advertising.

The government is taking away the percentage limits the lending companies can impose on their borrowers. The government says that if it puts loan-sharks out of the market—which is a happy thought, if it can be done—then taking away the ceiling on lending rates will simply make the market more competitive. I am not convinced that that is true. That could be the case, but I am not convinced. However, if the government is going to take away that ceiling, it certainly ought to take a very close look at the number of dollars these companies are spending in advertising to convince the public that it ought to use their credit, just as I think we ought to look at the amount of advertising used in other industries to convince shoppers that their product is best.

Why should General Motors have a multimillion dollar advertising budget to convince me that I should buy a General Motors' car? Surely most people know whether they want a GM, Chrysler, Ford, American Motors' or any other kind of vehicle. We do not have to be convinced by that kind of advertising, and the same is true with regard to credit. If the government is going to take the restraints off the lending market by taking away the interest ceiling, it also has a responsibility to consider the amount of money credit card companies are spending on advertising.

● (1710)

I thought we had an excellent presentation before the House last night by the hon. member for Windsor West (Mr. Gray). I believe he spoke from a very informed position, since he is a former minister of consumer and corporate affairs. I thought he gave a very responsible and well thought-out presentation regarding this legislation. The criticisms he had for the bill were not vitriolic; they were constructive. He pointed out the gaps in the legislation and offered alternative proposals which the government might introduce if it wants to improve this legislation.

I want to emphasize that the minister would display his strength as a minister if he had the courage to entertain the kinds of amendments that will be suggested during this debate and at the committee stage. The hon. member for Windsor West said, as recorded at page 704 of *Hansard*:

> However, this bill does nothing to ensure that the low income borrower who has in the past found it difficult to obtain credit from legitimate institutions, will not continue to be forced into the hands of loan sharks rather than getting that credit from legitimate lenders. The bill does nothing to ensure that the borrower, who found it difficult in the past to get credit except from companies licensed under the Small Loans Act, will, when this bill is passed, get credit on terms as favourable as those now provided for loans under the act, either from small loan companies or other credit granting institutions. The minister in his speech on second reading said at one point:
>
> "That is why we propose the repeal of the Small Loans Act. Instead we are proposing a strong and comprehensive set of protective devices applicable to all forms and levels of consumer credit so that consumers will be assured of access to loans bearing fair and reasonable credit charges."

It is a truism among the people who have to go to the lending market, to the regular financial institutions to borrow money, that the only time money will be lent to them is when they can prove that they really do not need it. That is another way of saying that one needs so much collateral that one probably could get along very well without borrowing the money unless one wanted to expand his enterprise. The fact is that some of the lending institutions are so careful in establishing their criteria and in examining their prospective clients that it becomes very difficult to borrow money from them.

A friend of mine went to his local bank. He wanted to do some renovations to his house. I think he was a school teacher; at least, he seemed to be a very respected person in the community. He had good credentials but he simply did not have too many resources, as is the case with most teachers. This man went to his banker and said he wanted to borrow "X" number of dollars for the purpose of renovating his house. After discussion the banker said that he did not think he could do that for him because he did not have very much collateral. They made small-talk for a while and when my friend went to leave, the banker, in the usual closing remarks said, "any time I can do something for you, please come and see me". My friend said that the time was then.

The fact is that these institutions tend to be so secretive and security-oriented that only the most prosperous clients stand a chance of getting the kind of terms they need in respect of loans. As the hon. member for Windsor West pointed out, if you do not have blue chip kind of credit, it is not likely that you will get that kind of loan. So a person who might in every other sense qualify for this type of credit, eventually ends up going to the loan-sharking business.

The minister proposes to do away with loan-sharking. I hope he is successful. I hope that this bill makes it possible. However, human nature being what it is, and because of the unscrupulousness of the people already engaged in that kind of business, I am not inclined to be sanguine about the hope. Because of the very nature of these people, who are dangerous and usurious, they will continue to operate in a devious fashion and there will always be a market for their product. They will simply go further underground. The borrower who does not have blue chip collateral will end up in some kind of financial arrangement like this.

The hon. member for Edmonton West (Mr. Lambert) asked, what is the recourse? The bill says the recourse is the law and that the lender will have to prove before the law that the rates are not usurious or criminal. That kind of lender has other ways of handling his client who would have the temerity to go before the law. There is the matter of the baseball bat, the slashed tires or the threatening phone calls at three o'clock in the morning. These unscrupulous people take matters into their own hands. Their method is intimidation. So what is the borrower to do in this kind of situation? If, in normal circumstances, he has good credit but cannot borrow at an ordinary lending institution, what is he to do?

I suggest the hon. member for Windsor West came up with a very reasonable solution which I think deserves examination by all members of the House, certainly by the members of the committee and the minister. As recorded at page 706 of *Hansard,* the hon. member said:

> A simple approach would be to require the licensing, the registration, of all moneylenders not subject to be licensed under other federal or provincial laws. One can agree that duplication of licensing is not necessary. But why remove even the requirement for licensing from those now subject to it under the existing law? Whatever may be said for the authority to be given to the new administrator under the act, that authority is not to exercise a licensing jurisdiction.

The simple solution is a licensing requirement. This government, of all governments, ought to have some kind of experience in licensing. When we think of the government's proposal in respect of Bill C-83, one would think with that kind of reflex action the government would have thought of that proposal when it came to the matter of moneylenders.

I understand that the government of British Columbia has brought forward legislation which requires moneylenders in British Columbia to be licensed. What is wrong with that? Why not take the people who want to be involved in the moneylending business and require that they take a course of study which would prepare them for this kind of business? During that course of study the licensing process would soon eliminate people who are not equipped to be involved in this kind of business. We have this situation in other areas. It happens in the insurance business. To be a reputable insurance salesman a man must pass a course; then he is given a licence to sell insurance.

● (1720)

We do it in the real estate business. Banks have to be licensed. It seems to me that the hon. member for Windsor West has come up with a very legitimate proposal for the government to examine and to bring forward in committee. The government should let it be examined in amendment form. I do not know why the government should not want to adopt this suggestion. One of their own members brought it forward. It seems to me that it deserves examination.

This whole business of pressure to buy, pressure to borrow, has very invidious dimensions. I have already mentioned the credit card business and consumer orientation, but when you see how the marketplace operates today where, for example, large department stores also become lending institutions for one who is buying their merchandise, it takes you back to the company store, "Sixteen stone, and what do you get? Another day older and deeper in debt." We have examples of large, chain department stores charging what may be a legitimate mark-up on their merchandise, but they are making another 18 per cent to 24 per cent on the money they lend to the consumer who purchases from them.

That kind of vertical organization lends itself to a lot of abuse. I am not saying that the chains we have in Canada are abusing the system; I am saying the system lends itself to abuse. Then you have a company such as the Power Corporation, for example, which is an enterprise involved in transportation, in communications, in advertising and in moneylending.

An hon. Member: Also, in politics.

Mr. Friesen: You have those kinds of relationships. We have to get away from the pressure on the consumer encouraging him, almost forcing him, into impulse buying. Let me get back to the borrower who comes to the lending market with what would be classed, I suppose, as secondary qualifications to borrow money. The present legislation says there is the litigation process which he can go through if he feels he is being charged too much. On the surface, it sounds reasonable—the lender now has to justify the rates he is charging. But it seems to me, if I understand the bill correctly, that that is after the fact. After they have engaged in an agreement and the borrower realizes that he is being charged more than he should be charged, it is then his prerogative to go before a judge and engage in litigation.

However, in so many cases the very people who become victims of this kind of money market are those who are not accustomed to going before the law; they cannot afford it. They are not accustomed to going before the law because they are not in that kind of world, and they do not have that kind of income to hire a lawyer or even to get legal advice. While the proposal seems to be legitimate, I am afraid that it will break down and the very people whom the legislation is designed to help will continue to be the victims because they have a fear of the legal system, they stay away from the courts and they are not accustomed to being in that kind of position.

The hon. member for Windsor West said that the criminal rate of interest for which sanctions will apply to the institutions, transactions to be exempted from the act, and the kind of information to be spelled out in the advertising in which credit is mentioned cause him concern. He said the government must table a complete set of draft regulations with the committee studying the bill. He hit the point right on the head. We have had too much exposure to legislation which provides that regulations will come at a later date or will be drafted after the legislation has been passed. We have experienced that, especially with Bill C-83. We faced it in immigration laws where the government could change the regulations overnight and simply impose them on the public without providing the people with prior information.

The hon. member for Windsor West has a very strong point. He said there can be no meaningful parliamentary debate, nor can there be meaningful public input as to the content of the

bill without these regulations being put before us at the earliest possible date which, he says, should not be later than the beginning of the committee hearings. I should like to encourage the minister to draft those regulations and give himself that much time before he moves forward with this legislation, so that the committee can examine the regulations and provide the kind of input that the legislation needs if we are to do the best we can for the public.

If we do not have the best kind of bill issuing from this debate and from discussion in committee, only the public will suffer. The very people whom the minister wants to help will be hurt the most. The tragedy is that the people will have confidence in this legislation, but that confidence will be betrayed if the minister does not submit it for scrutiny. I encourage the minister to give himself more time so that the regulations can be drafted and presented to the committee. We should allow amendments to come forward and let the public benefit from the best possible discussion and scrutiny of this legislation so that we will get the best protection that the public deserves under it.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to take part in this very important debate on Bill C-16, an act to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof. I am afraid we are off to a very bad start with Bill C-16, as the hon. member for Surrey-White Rock (Mr. Friesen) stated. It is similar to Bill C-83, which was very poorly drafted. If it ever comes back, which we hope it will not, about 100 amendments will be presented to try to improve the bill.

● (1730)

The *Globe and Mail* of October 29 reported the Canadian Bankers' Association as saying that this bill, rather than achieving the stated objective of eliminating unnecessary complexities and confusion in the credit field, in its present form could confuse and dislocate consumer finance to the detriment of all Canadians. It reported that the CBA has serious reservations as to the contents of the bill in the form in which it has been introduced, saying it appears that rather than meeting specifically Canadian needs, based on Canadian experience and the need to operate within the Canadian institutional framework, foreign precedents and procedures have been adopted. It claimed that as the bill stands, the cost and availability of credit to consumers would be adversely affected since legitimate lenders would face difficulties in their administration and assets and liabilities management. It noted that another stated objective of the bill is to rationalize federal credit legislation, saying that with this the bill attempts to cover such a diverse range of topics as consumer credit, mortgages, deposits, advertising and disclosure, without having regard to existing federal and provincial legislation.

The newspaper noted that the CBA argues the public would have been better served, and more effective and useful legislation would have emerged more quickly, if the government had allowed for adequate public discussion of the proposals before the introduction of the legislation, perhaps through a white paper process. The report continued that the CBA said after it has had an opportunity to study the bill it will prepare detailed alternative submissions for parliamentary committees to consider.

On November 1, the hon. member for Edmonton West (Mr. Lambert) put the following question to the minister:

> I hesitate to interrupt the minister, Mr. Speaker, but I wonder if by the time he completes his explanation on this point he could tell me how he believes he can lump together charges under provincial legislation for the registration of chattel mortgages or other forms of incumbencies with interest charges that are to the benefit of the lender. Those are two different things. I should like to know how the minister believes he can lump together apples, oranges, cherries, bananas and other things in the same basket and come out with common interest charges and rates.

The minister replied:

> I would prefer not to attempt to answer that question because it opens the problems of provincial instruments—

That indicates how ill-prepared the government was and how poorly the bill is drafted. Under a heading "Loan bill constitutionality queried", an article in the Montreal *Gazette* of November 2 refers to the hon. member for Brome-Missisquoi (Mr. Grafftey), saying:

> —he has doubts about the constitutionality of a government bill aimed at halting loan-sharking and protecting borrowers from unfair interest rates.

The article goes on to say that the hon. member doubted there had been full consultation with the provinces before the bill was introduced. Mr. Speaker, this is evidence of complete lack of consultation, and now we doubt if the bill is even constitutional. Now let us look at some clauses of the bill, Mr. Speaker. Clause 2 (2) (a) reads:

> Where the payment is in the form of an amount paid that is sent by mail to the lender at his latest known mailing address and, on the day it is sent, the payment is in a form that is negotiable by the lender, on that day—

With the mail service, we have, Mr. Speaker, that clause could cause very serious problems and will have to be looked at in committee. Clause 33 reads as follows:

> Where, in any proceedings in relation to a particular lending transaction, a dispute arises as to whether a payment by a borrower under the transaction was made on or before the day on or before which such payment was, under the terms of the lending transaction, required to be made, such payment shall, in the absence of any evidence to the contrary, be presumed to have been made on or before that day.

I do not know how this is to be recorded. I would imagine lenders will have to photostat all letters. I will be interested to hear them explain, when they appear before the committee, how they will carry out this provision. On the matter of the obligations of lenders, clauses 17 and 18 provide that all lenders shall maintain records and books of account which would enable the administrator to identify credit charges in individual transactions. These records shall be kept by the lender until such time as prescribed by regulation. Here we get into the question of the regulations. This matter has been mentioned by other members during the debate.

It is puzzling to see how all the regulations can be administered, when little bombshells are dropped from time to time.

The bill says that the records may then be destroyed; a lender shall provide a periodic statement of account to a borrower without charge; frequency and form will be specified by regulation; upon the payment of a fee in an amount to be specified by regulation, the lender shall provide to the borrower an interim statement of account. All these procedures should be stated in the bill and not by regulation, Mr. Speaker.

Because of the considerable dependence of this section on unrevealed regulations, analysis of it would not be fruitful. However, the extent of the use of regulations is itself significant. Why, for instance, the length of time the records must be kept should be at the discretion of the governor in council is an interesting question. On the matter of depositors, clauses 19 to 21 state that a deposit is defined as the aggregate of moneys, including interest, accepted or held by the institution in return for which the institution is primarily liable, for which it must issue a receipt and give credit to the depositor's account. To retain the character of a deposit the institution must also be obligated to repay the moneys on demand or on notice.

Advertisements shall not claim to provide a deposit interest payment, except as provided by regulation; the amount of interest earned shall be calculated in the manner prescribed by regulation; the frequency with which interest is credited to accounts shall be monthly, or at such more frequent intervals as may be prescribed by regulation; all deposit-taking institutions shall disclose to the depositor the annual rate on the applicable class of deposits, the method by which that interest is calculated and such other information as may be prescribed by regulation. Mr. Speaker, we will have a longer list of regulations than there are clauses in the bill. These sections apply to all deposit-taking institutions except to classes of institutions that are exempted by regulation.

Emphasis has been placed on the words "by regulation" because of the magnitude of what these sections will regulate. In chartered banks, trust companies and mortgage loan companies alone there are over $40 billion of savings deposits. That discretionary powers over the treatment of such an enormous amount of money should be proposed at all is a frightening thought. A further source of alarm is that control over transactions involving this amount of money is vested in the Department of Consumer and Corporate Affairs, a department that has no mandate to concern itself with the stability of the monetary system.

A possible scenario where these deposit provisions could interfere with monetary stability is here outlined. Assuming that the regulations will specify that interest payments are to be calculated daily, it will become more profitable for depositors to use chequing and non-chequing savings accounts rather than personal chequing accounts which bear no interest. There will thus be a shift from demand deposits to notice deposits. In terms of the classifications used by the Bank of Canada, funds will shift from M-1, currency and demand deposits, to M-2, currency and privately-held deposits, including savings deposits and non-personal term and notice deposits. Since the Bank of Canada fastens upon M-1 as the principal method of regulating the size of the monetary mass, to the extent that funds move from M-1 to M-2 Bank of Canada control is reduced.

● (1740)

Further, chartered banks currently must maintain reserves of 12 per cent on demand deposits and 4 per cent on notice deposits. If funds shift from demand to notice deposits, a reduction in the aggregate level of reserves maintained by the banks will occur. This would not only reduce Bank of Canada control of the money supply but would also release large quantities of funds into the monetary system. The above scenario is not meant to suggest that this will occur but that it might. Surely, there should be a requirement that any regulations proposed for deposits by the Department of Consumer and Corporate Affairs should be first checked and approved by the Department of Finance and or the Bank of Canada.

Although these sections leave much of their substance to regulation, yet a further point can be made. Inasmuch as Canada savings bonds are available only to consumers, it should be incumbent upon the government of Canada to lead the way in interest rate disclosure by agreeing to treat Canada savings bonds in the same manner as deposit-taking institutions are required to treat interest on non-chequing deposits.

I now come to the powers of the administrator, dealt with in clauses 24 to 30, inclusive. The administrator shall keep a register about lenders which is likely to be of interest to borrowers, including judicial proceedings, under the BDPA or any federal or provincial statute. Borrowers, upon payment of a fee, may inspect the register or obtain a certificate of compliance concerning the lender's activities. The bill states that the administrator may require a lender to submit information regarding lending transactions. Also, the administrator may enter the premises of the lender at reasonable times, examine or audit his books, obtain assistance in his examination from the lender and, if it appears to the administrator that an offence has been committed, seize all relevant information. Entry can only be approved by a judge, and only when a complaint has been received from a borrower.

Information obtained in this manner is privileged and may only be made public in enforcing the act. The power of the administrator is considerable but is protected from abuse by the requirement that judicial authorization shall be sought in advance of the use of any extraordinary remedies. If it is granted that the strictures specified in the act are necessary and beneficial, then it is apparent that a person must be vested with the power to apply them. In one area, however, the administrator has power that may be abused and for which there is no judicial authorization required.

The administrator shall keep a register which will include any information which, in the judgment of the administrator, is likely to be of use to the borrower. This information will include records of judicial proceedings against lenders, whether under the BDPA or any other act. The legislation does not specify whether these records of court proceedings only will include cases in which the lender has been found guilty. Failure to limit the judgment of the administrator in this way

could allow the administrator to conduct a campaign of innuendo against a lender by simply listing the actions brought against a lender whether or not they were successful.

I now deal with clauses 37 to 40, inclusive, which have to do with offences. Persons who demand an excessive credit charge, unlawfully destroy records or accounts or employ any threat or coercion against a borrower, are liable, on summary conviction, to a fine of between $1,000 and $10,000 and/or to imprisonment for two years or, upon indictment, to a fine not less than $1,000 and to imprisonment for five years. Illegal types of threat or coercion are identified. They include: intent to use violence, threat of public accusation, threat of sale or assignment, threat of arrest or seizure of possessions. Activities which constitute threatening are identified: use of obscene language, placement of anonymous telephone calls, collect calls or calls at inconvenient times.

The purpose of the very detailed list of illegal practices is to prohibit practices used by loan sharks or unscrupulous lenders in obtaining payment. But since practices of intimidation or of abusive conduct or of threat or coercion are already deemed criminal offences under the Criminal Code, it is unlikely that this bill will create any new deterrent to criminal acts. The problem is one of enforcement rather than of law.

May I now make some general comments. Much of the borrowers and depositors protection bill will be of considerable benefit to consumers who borrow or deposit, and is not likely to impose an undue financial or administrative burden on the various classes of financial institutions which either lend or accept deposits. Certain features of the bill, however, are manifestly unfair to lenders and, indeed, may be counterproductive for consumers. Implementation of the legislation in its current form may disrupt loan markets to the extent that funds available to borrowers through legal sources will be reduced. Other sections of the bill may only serve to confuse consumers, when the object is to allow them to be better informed. For depositors, benefits are not clear at this time, as most of the procedures by which interest on deposits is to be advertised, computed and credited will be prescribed by regulation.

Few would dispute that new legislation in this area is required. The principal federal borrower protection laws are the Interest Act and the Small Loans Act, last amended in 1917 and 1956 respectively. It is clear that many significant changes in the financial system have occurred since these times, including a much greater willingness of consumers to borrow, much higher general interest rates, greater sophistication in advertising, the large-scale entry of chartered banks into the consumer loan market, and a proliferation in the range of financial services available to consumers.

Bringing the act up to date, however, is not the only change required. The Small Loans Act only regulates designated moneylenders and loan companies. There are many other classes of financial institutions, not the least being the banks, which are not affected by the provisions of this legislation. Provincial governments have implemented some legislation which is of assistance to borrowers, but these protections have neither been complete in their coverage nor consistent between provinces.

Bill C-16 proposes protection that will be uniform in degree throughout the country and will affect all institutions which lend to consumers or closely-held corporations. The Interest Act will be repealed and replaced by one piece of legislation. At the same time, responsibility for administration of the act will be vested in a different minister. Although there was no privy councillor assigned to administer the Interest Act, it was assumed to be under the general authority of the minister of finance of the day and in practice required no administrative guidance, being used primarily by the courts. Administration of the Small Loans Act is the responsibility of the minister of finance of the day. The new BDPA will be administered by the minister of consumer and corporate affairs.

This change in administration itself raises some questions which may be of some importance. The objective of the BDPA is to protect consumer borrowers and depositors. The objective of the Department of Finance in administering small loans legislation is not only to ensure the propriety of management policies and operations of small loans companies but also to ensure their financial solvency. Further, the Department of Finance is charged with maintaining an orderly financial system. It is possible that the goals of borrower and depositor protection may conflict with those of the financial solvency of loan companies or of an orderly financial system. Since it is within the mandate of the Department of Finance to examine policies proposed by other departments and agencies of government having an effect on economic or financial conditions, it may be useful to direct questions to the Minister of Finance (Mr. Macdonald) as to the likely impact of the BDPA legislation.

I said a moment ago that the BDPA intends to provide national standards of protection. Thus, where a provincial statute is in conflict with a federal one it appears that the Minister of Consumer and Corporate Affairs intends that the federal act shall be supreme. This presumption of jurisdiction is based on a constitutional premise. Section 91(19) of the BNA Act indicates that matters pertaining to interest are within federal power. Federal reasoning is that "all transactions where interest is involved must therefore be considered to be within federal jurisdiction."

● (1750)

This interpretation may seem to be sound, but is suspect for two reasons. First, in this bill the definition of "interest" is often extended somewhat beyond its original 1867 meaning, as when "credit charge rate" is used in place of the notion of interest rate and is only defined precisely by regulation. Second, although a loan or deposit is a transaction where interest is involved, the bill regulates aspects of a loan or deposit transaction which have little or nothing to do with interest, as when late or early penalty payment procedures are specified, when loan account statements are demanded or when unacceptable collection procedures are designated. Rules in all these areas may be desirable, but the federal jurisdiction-

al power of interest is being stretched in interpretation when it is used as justification for regulation of these practices. Objections from provinces may be expected.

A rather alarming number of the provisions of Bill C-16 are deliberately vague. Details will be filled in by regulation. In a bill of 44 clauses there are at least 20 distinct cases where clarification as to the meaning of terms or the procedures to be followed will be given in regulations which will be proclaimed by the governor in council. The only check on the unrestrained power to make regulations is the provision in clause 31(2) which requires that an opportunity to hear representations shall be provided to interested parties.

Many of the regulations will specify matters of substance rather than of detail. Examples of definitional or procedural matters which will be revealed by regulation include, (1) the definitions of "credit charge rate", "lowest rate quoted" for prime or non-chequing rates, and "variable rate" of a loan, and (2) the procedures to be followed in advertising credit availability, making full disclosure of the cost of a loan, providing statements of account to borrowers—manner, form and periodicity—advertising, calculating and crediting interest on deposits. Application for so many discretionary powers in a bill should give cause for concern in itself, but the extent of the powers sought is quite astounding. The bill proposes to give unchallengeable power to the governor in council to control the manner and form in which billions of dollars of deposits and loans are made every year. Whether such power would be used wisely is a question which pales into insignificance beside the question of whether such unchallengeable power should exist at all.

I now wish to deal with the principal provisions of the bill. The interest rate ceilings are removed in clause 3. Apart from restrictions imposed by this and other acts of parliament, any rate of interest may be charged "that is agreed upon." This provision constitutes the removal of the interest rate ceilings imposed by the Small Loans Act. Under that act a rate of interest could not be charged on a loan that would exceed, (a) 2 per cent per month on any unpaid balance less than $300, (b) 1 per cent per month on any unpaid balance over $300 but less than $1,000, or (c) one-half of 1 per cent per month on any unpaid balance exceeding $1,000 but less than $1,500. Longer term loans were subject to even lower rates.

The removal of interest rate ceilings is a source of benefit to both lenders and consumers. The ceilings were imposed at a time when general interest rates were at a much lower level. Under more recent conditions, where a loan company has had to pay rates in excess of 11 per cent to purchase the money it loans, it is impossible to expect loan companies to lend at rates of 12 per cent and less and still remain solvent. Under certain conditions, for certain amounts of money, a loan company would have been expected to lend at rates less than those offered by chartered banks exempt from small loans legislation which have, because of superior leverage and lower costs of raising funds, a much lower cost of doing business. Such a situation causes moneylenders and small loan companies to turn down all but the most credit-worthy borrowers or to lend

[Mr. McKenzie.]

amounts above the regulatory coverage of the act, which is $1,500.

Loan companies affected by rate regulation have generally been opposed to it. They have argued that rate regulation is unnecessary. They say:

> The degree of competition among various credit suppliers and among the member companies of our own industry guarantees the vast majority of borrowers that adequate credit will be available to them at fair, efficient and competitive rates.

This was contained in a submission by the Canadian Consumer Loan Association to the Department of Consumer and Corporate Affairs. The CCLA is now part of the Association of Canadian Financial Corporations. Consumers will be satisfied in one respect, that loans will be more freely available to borrowers. However, the Consumers' Association of Canada maintains that the retention of a graduated rate ceiling of up to $7,500 is still necessary, arguing that the competitive rate model is "theoretical" only, particularly for low income and or sophisticated borrowers. They recognize that rate regulation may deprive high-risk borrowers of access to credit, but if the problem of the high-risk borrower can only be salved by giving him access to high-cost credit, this is not, in our view, an objectionable effect. Although explicit rate regulation is removed by this clause, control over rates exists in another section, clause 8. To a certain extent, then, rate regulation appears in a more flexible though not necessarily a more satisfactory form.

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

The Acting Speaker (Mr. Turner): The hon. member for Grenville-Carleton (Mr. Baker) on a point of order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, before embarking on the point of order, may I formally express in this chamber the congratulations that are due and owning to the hon. member for St. Boniface (Mr. Guay) who has now been elevated to the ministry.

Some hon. Members: Hear, hear!

Mr. Baker (Grenville-Carleton): Members on all sides have always enjoyed his company. We hope this elevation will not deprive us of the day to day contact we have had with him as a person who has exhibited the utmost accessibility. On behalf of our party, I congratulate him on this elevation. I also want to have the honour of asking him his first question as minister. Can he advise us of the business of the House for tomorrow?

Mr. Guay (St. Boniface): Mr. Speaker, I wish to thank the opposition House leader for his kind words and good wishes. I will answer his question. We anticipate carrying on with Bill C-16 until it is completed. If that is done tomorrow, possibly we could proceed to Bill C-5 dealing with currency and exchange.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am sure you will agree that it is appropriate for a fellow Winnipegger to join in congratulations to the new Minister of State for Urban Affairs (Mr. Ouellet). I do so very heartily.

Some hon. Members: Hear, hear!

Mr. McKenzie: Perhaps the new Minister without Portfolio (Mr. Guay) will inform the House as to his responsibilities, as we may wish to ask him the odd question.

The Acting Speaker (Mr. Turner): Order, please. It being six o'clock this House stands adjourned until two o'clock tomorrow afternoon.

At 6:02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, November 4, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT ADMINISTRATION

REQUEST FOR TABLING OF TREASURY BOARD MINUTES DEALING WITH LES TERRASSES DE LA CHAUDIÈRE PROJECT—MOTION UNDER S.O. 43

Mr. Ron Huntington (Capilano): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43 to ask the unanimous consent of the House. Whereas the Hon. President of the Treasury Board (Mr. Andras) stated, in answer to a question by the hon. member for York-Simcoe (Mr. Stevens) that the financing for the Les Terrasses project was voted and approved by Treasury Board and that the proceedings would "stand examination", I move, seconded by the hon. member for York-Simcoe:

That this House instruct the President of the Treasury Board to table all minutes of the proceedings and meetings by Treasury Board touching this matter.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion pursuant to Standing Order 43 can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

REQUEST FOR REPORT ON MINISTER'S DISCUSSIONS IN MANILA DEALING WITH INTERNATIONAL SITUATION—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a matter of urgent and pressing necessity, affecting the financial stability of this country. Press reports and press releases have indicated that the Minister of Finance (Mr. Macdonald) was in Manila just over a month ago discussing the international financial situation, with particular reference to currency flows, with IMF and World Bank officials. Noting that discussions in which the minister participated may have substantial consequences for the future stability of the Canadian dollar in the event of international currency difficulties, and that Bill C-5 the Currency and Exchange Act Amendments that are proposed will affect the manner in which losses in exchange transactions are accounted, I move, seconded by the hon. member for Capilano (Mr. Huntington):

That this House instruct the Minister of Finance to prepare a report on his activities in Manila detailing the nature of substantial discussions and/or commitments made on behalf of Canada, and that this report be tabled before Bill C-5 is called for second reading.

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

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

PROPOSED ACTION TO SECURE RELIGIOUS FREEDOM IN SOVIET UNION—MOTION UNDER S.O. 43

Mr. Jake Epp (Provencher): Mr. Speaker, pursuant to the terms of Standing Order 43, I request unanimous consent of the House to present a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that Christians and other religious believers in the Soviet Union are being persecuted simply because they desire to worship God according to the dictates of their conscience and the precepts of their faith rather than according to the dictates of the state; and in view of the fact that a symbol of the denial of basic human rights by the Soviet Union is the imprisonment for five years at hard labour of Georgi Vins, Secretary for the Council for the Evangelical Christians and Baptists, for the alleged crime of administering to the congregation that elected him as their pastor, and the continuing persecution of the Vins family, which for three generations has suffered imprisonment and death, I move, seconded by the hon. member for Selkirk (Mr. Whiteway):

That members of this House urge the Prime Minister to make representation to the government of the U.S.S.R. that Georgi Vins be released from imprisonment and that the government of the Soviet Union allow him and all other religious believers within its borders to worship God freely according to their own consciences, as the Soviet Union is committed to do by the provisions of its constitution and by the provisions of the United Nations Covenant on Civil and Political Rights which the Soviet Union has ratified.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

COMPLIANCE BY SOVIET UNION WITH TERMS OF HELSINKI AGREEMENT RELATING TO REUNIFICATION OF FAMILIES—MOTION UNDER S.O. 43

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek leave to move a motion under the provisions of Standing Order 43. In view of the fact that the Helsinki agreement requires that all signatories deal with the reunification of families "in a positive and expeditious spirit" and in view of the Russian government's refusal to respond favourably to the representations by the Secretary of State for External Affairs (Mr. Jamieson) on behalf of Nailya Bibershtein and some 300 other families which are split between Canada and Russia, I would move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House unanimously regrets the refusal of the Russian government to expedite the reunification of families according to the terms of the Helsinki agreement and this House accordingly instructs the Secretary of State for External Affairs to inform the ambassador of the U.S.S.R. of the Canadian people's desire for early compliance with the terms of the Helsinki agreement as they relate to the reunification of families.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can only be presented to the House with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

ENERGY

OIL SANDS—MEASURES TO STIMULATE OPERATION—PROPOSALS TO ALBERTA

Mr. James Gillies (Don Valley): Mr. Speaker, my question is to the Minister of Energy, Mines and Resources. It arises out of a concern for a lack of coherent policy for energy, as demonstrated by the situation in connection with the oil sands. Given the fact that according to its recent strategy report, the government is counting on producing at least one out of every four barrels of crude oil in Canada by 1990 from the tar sands, what policy will the government put into effect in order to again start operation of the oil sands, which have now come to practically a total stop?

[Mr. Speaker.]

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member will realize that is a very general question. I can tell him quite specifically that I met with the energy minister of Alberta very recently and also the energy minister of Saskatchewan to deal specifically with some of these very important questions. I am referring to the Athabasca tar sands, the Cold Lake deposit and of course the Lloydminster deposits as well. I put forward a proposal to the energy minister. He is now discussing it with his colleagues and I am awaiting his reply.

• (1410)

Mr. Gillies: I thank the minister for that very general answer. Now that Shell has pulled out of its operations in oil sands, and since it looks as though there will be no new operations for at least five years, would the minister tell us specifically what he is doing to try to get that Shell project, or a project of similar dimensions, started right away?

Mr. Gillespie: Very specifically, we are trying to work out a deal with Alberta.

Some hon. Members: Hear, hear!

Mr. Gillies: We need a new government from this side to get that done.

Some hon. Members: Oh!

Mr. Gillies: Would the minister tell us, then, specifically what the federal government has proposed to the Province of Alberta which will ensure that this project and other projects, for example in the Cold Lake area, for example, will get under way?

Mr. Gillespie: There were a number of elements in the proposal I put forward—I do not think this is the time to discuss them. They are under consideration by the government of Alberta and I very much hope to get a reply shortly. At the appropriate moment I would be glad to pursue this matter with hon. members.

GOVERNMENT MEASURES TO INCREASE EXPLORATION IN FRONTIER AREAS

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I, too, have a question for the Minister of Energy, Mines and Resources. I wish to ask him about what appears to be a conspicuous lack of success in moving toward his target of doubling Canadian frontier exploration in view of the fact that the government is skimming off $3 million a day from oil production revenues which is twice as much as it is putting back into the entire energy sector. Can the minister tell us whether he intends to enhance the financial environment of the industry so that more can be accomplished?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): The hon. member has tunnel vision if he is looking at oil revenues in those terms. He seems to have forgotten the substantial fiscal commitment the Government of Canada has

made through the compensation account, through investment in Syncrude and through investment in Panarctic and in Petro-Canada. I can understand why he would not want to focus on all those things; his party was against Petro-Canada.

Mr. McKenzie: If there is any tunnelling going on, it is being done by the government which is tunnelling these revenues into general revenue, and that is not the purpose of those revenues.

Some hon. Members: Hear, hear!

Mr. McKenzie: Will the minister tell the House why completions in the north will be down by almost 50 per cent while in Alberta, where the provincial government has acted to provide incentive, work is proceeding at record rates?

Mr. Gillespie: As the hon. member knows perfectly well, you just don't turn the tap on that quickly.

Mr. Fraser: You turned it off quickly enough!

Some hon. Members: Oh!

Mr. Gillespie: Do you fellows want an answer or don't you? Maybe you should get your own leader to clear up his own position on Petro-Canada.

Some hon. Members: Hear, hear!

Mr. Gillespie: I understand he has not made up his mind whether to wind it up or wind it down. We on this side introduced a whole new set of fiscal incentives. We set, as a target, the doubling of exploration in the north. We have set forth a new set of proposals with respect to oil and gas regulations. I would expect that activity to start to build. As the hon. member knows, it is very costly and there is a very short season. I did not hear the hon. member or his party supporting us in our tough decision to drill in the Beaufort Sea.

* * *

CONFLICT OF INTEREST

PROPOSED LEGISLATIVE ACTION TO PROVIDE FOR PUBLIC DISCLOSURE BY MEMBER OF FINANCIAL INTERESTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is always good to hear, if rarely, the government defending public enterprise. I should like to shift to another matter regarding which the official opposition is also in a little difficulty these days. Given the Leader of the Official Opposition's decision not to reveal any conflict of interest situation that he might discover in his own caucus—

Some hon. Members: Shame.

Mr. Broadbent: —and given also the important right of the public to have access to such information, I should like to ask the Acting Prime Minister whether he would assure the House that the government will act as soon as possible to implement the recommendations of the House and Senate committees' reports, which the government has had for sometime, on this important subject, with the one important change, namely that the financial interests of members of parliament be made public in whatever action is taken, as is now the practice in the United Kingdom.

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I think it was made clear earlier in the week by the Prime Minister that at the present time the government has under consideration the reports of both the standing committee of the House and the Senate committee on the green paper on conflict of interest, which I had tabled in the House some years ago. I must say that the government is not encouraged by any speed that was shown by either chamber in dealing with this matter, but we intend to follow it through and, we hope, introduce a bill entitled "the Independence of Parliament Act" that will cover these important matters.

Mr. Broadbent: A supplementary question, Mr. Speaker. The Acting Prime Minister speaks of the need for speed. He knows that he has had the House's report for 15 months and that the government has not acted yet. Given the fact that neither the green paper nor the report of the House committee went as far as the system which is now in operation in Great Britain whereby financial interests disclosures are made available to the public in general, will the Acting Prime Minister assure the House when the government finally acts in this important area it will duplicate that very important and positive practice of the government of the United Kingdom?

Mr. MacEachen: Mr. Speaker, I would be happy to look at the precedents in the United Kingdom but as the hon. member knows there are two ways recommended in the conflict of interest paper for dealing with the subject. One is full disclosure; the other is to set up a way by which the conflict itself is extinguished. One of these methods will be followed generally in the bill that will be brought forward.

Mr. Broadbent: A final supplementary question, Mr. Speaker. Just so that we do not have to wait another 15 months, would the Acting Prime Minister tell the House whether we will have legislation before Christmas on this important matter, or if legislation is not contemplated are other procedures going to be followed to act upon these committee reports, and will that action be taken before Christmas?

Mr. MacEachen: Mr. Speaker, as I have indicated to the hon. member, at the present time we are considering as a matter of urgency the reports of both Houses. It is my intention to bring forward legislative measures as soon as possible. Whether that will occur before Christmas is something I cannot guarantee at this moment.

[*Translation*]

MANPOWER

LOCAL INITIATIVE PROGRAM—CRITERIA USED IN ALLOCATING PEOPLE TO PROJECTS

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I wish to ask a question of the Minister of Manpower and Immigration.

Given the number of protests we have received concerning the selection of workers for LIP projects, it would appear that officials unilaterally prepare the list of those who are registered with manpower centres without any consideration for the needs of promoters and workers' qualifications. I think that project managers should be consulted, particularly when they back up those projects to the tune of 40 to 50 per cent. Can the minister tell the House if it is the new approach used this year and if he has issued directives to have this unilateral selection followed?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker, we have to look at the situation described by the hon. member.

Mr. Gauthier (Roberval): I wish to ask a supplementary.

I thank the minister for his answer, and I would ask him, while dealing with the situation, to consider the anti-alcoholic program. Is it normal that people used to working with alcoholics were replaced by others who know precious little about that disease? What does the minister intend to do about that?

Mr. Cullen: Mr. Speaker, we will have to make an expertise. We will make a thorough examination of that situation.

* * *

● (1420)

[*English*]

ENERGY

OIL—REQUEST FOR CLARIFICATION OF REGULATIONS GOVERNING EXPLORATION IN THE NORTH

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources in light of the answers he has given today. In view of the serious problems being caused to petroleum development in the north and offshore by the proposed right of Petro-Canada to acquire up to 25 per cent of existing undiscovered plays, will the minister take steps to assure those operators in the frontiers who have spent as much as $30 million on a single well will not have their equity diluted to the point where reasonable incentives no longer exist and they therefore cease to explore for the gas and oil so important to the economy?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I agree with the hon. member that this is important to Canada. I also believe it is in the self-interest of corporations to explore for oil in the north of Canada. It is our policy to insure that the régime is such that the interest of the companies themselves will continue.

[Mr. MacEachen.]

Mr. Woolliams: A supplementary question, Mr. Speaker. In light of the fact that the government vacillated and procrastinated on regulations and in light of the further delay in the promulgation of the new land regulations, will the minister expedite final resolution of the right of Petro-Canada to "back-into" prospects so that at the very least some régime may exist for those who must carry on business in the frontier, thus clearing up the matter, so that the companies know where they stand and Petro-Canada knows where it stands?

Mr. Gillespie: Mr. Speaker, the hon. member will have plenty of opportunities to make his points when the bill goes to committee.

An hon. Member: Oh come on.

Mr. Woolliams: A further supplementary, Mr. Speaker. I should like to ask the minister how long we have to wait. We have been waiting for three years and now he is putting us off saying that we will have it before the committee and we will be able to make submissions then. How long does the country have to wait? How long does the industry have to wait? How long does Petro-Canada have to wait?

SUGGESTED INCREASE IN FUNDS FOR RESEARCH ON ALTERNATIVE SOURCES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources. In the current fiscal year the United States government is spending roughly $290 million on renewable energy research and development which is equal to 12 per cent of their nuclear energy research and development budget. Given that the equivalent figure for Canada is a minuscule $4.7 million, is the minister prepared to reconsider his department's research priorities before we lose all initiative in this field? Is he perhaps prepared to view favourably the requests for innovative research funding such as recently made by the Premier of Prince Edward Island for funds for alternative energy for that province?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, at the present time there is a paper before my Cabinet colleagues which deals with this question of government priorities, more specifically the question of incremental funds that may become available for energy research and development this year. I can assure the hon. member that in terms of incremental funds I give first priority to research and development in renewable energy resources.

FUNDY TIDAL POWER PROJECT—REQUEST FOR REPORT ON STATUS OF PROJECT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. I am glad to note the interest of the minister in

renewable resources. My question is: What is the present status of the reassessment of the review or report on Fundy tidal power which was tabled in this House in 1969?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if the hon. member had been following the events he would know that the first step of phase one has been completed and that a report has been made. Three or possibly four sites have been identified, from over some 30 sites, as being the best bet, which is I think all I can say at the present time. The work is now going on in respect of those four sites to establish the economic viability of those sites. As the hon. member knows the question is not so much a technical one but is far more an economic and environmental one.

Mr. Nowlan: Mr. Speaker, I am quite aware of the progress of this development since the tides of the Bay of Fundy wash twice a day against my constituency. I should like to ask if the minister is going to expedite or activate a decision in this regard since we have been waiting for seven years now in which time man has gone to the moon and the James Bay project is off the drawing board and almost in production. When can we expect the next stage? Is the minister doing anything to activate the situation in view of the very serious energy crisis in Atlantic Canada.

Mr. Gillespie: Mr. Speaker, I regret that the hon. member did not listen to my last answer. If he had he would have heard that stage one of phase one has been completed and we have now moved on to the second stage which has to do with determining the economic viability of those four sites. That work should be completed I hope very early next year. That then becomes a second decision point. The decision will then be as to whether or not very much more substantial resources, in the tens of millions of dollars perhaps, will have to be spent on engineering work for a specific site.

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EXTERNAL AFFAIRS

PROPOSAL TO DESIGNATE TWO DAYS FOR DEBATE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. First, I want to say that I am enthusiastic in following him in his peregrinations since the assumption of the portfolio. I shall not be able to ask all the questions I would like to ask because it would take quite a while. I ask him first whether he will do that which was done under the administration of Mr. King, Mr. St. Laurent, Mr. Pearson and myself whereby a couple of days would be set aside by the government, not as opposition days but as days set aside by the government, for the discussion of external affairs because so far as members of this House are concerned they know absolutely nothing concerning what the government is doing in connection with the problems affecting the peace of the world.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I suppose I could interpret that question as having been somewhat argumentative in tone. In so far as giving the House an opportunity I, of course, would be glad to do that.

It seems to me, however, that in the eras to which he referred of the former prime ministers, including himself, there were not in fact designated opposition days to the extent there are now. If the opposition so wishes they can put down that subject or there may be other forums. But let me assure the hon. member that I would be glad to answer whatever question he or other members might have.

SOVIET UNION—ALLEGED CRUELTY AGAINST PEOPLE OF UKRAINE—DISCUSSION BETWEEN MINISTER AND MR. GROMYKO

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my first question is, when he was in Moscow and met with Mr. Gromyko is it a fact that he raised the question of the diabolical cruelty being perpetrated by the U.S.S.R. against captive peoples in the Ukraine and also in the Baltic States. When he raised the question in general terms did Mr. Gromyko say to him, "Now, what is your next question".

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am sure the right hon. member would not expect me to reveal precisely the nature of these conversations. Perhaps I should answer him by saying, "What is your next question", but I will not do that.

• (1430)

I did not bring up, in reference to the first part of the Right Hon. member's question, the specific matter of the Ukraine, etc. I did talk about this matter in terms of the follow on to the Helinski Declaration and expressed the view that we hope these matters can be discussed thoroughly at the conference in Belgrade which is to take place in 1977. I do not think I left any doubt in the foreign minister's mind as to what the Canadian government's position is. On the precise aspect of the question, namely the reunification of families, I can assure the Right Hon. member and the House that I made the strongest possible representations in this connection to the best of my knowledge and capability in the language. I do not think I left any doubts as to our view that unification should take place and that it was deeply regrettable that the Soviet Union was not prepared to move, as we asked them to do repeatedly on this question. While not quoting exactly the response of the Soviet foreign minister, I can say that it came reasonably close to what was described by the Right Hon. member.

SOVIET UNION—DISCUSSION BETWEEN MINISTER AND MR. GROMYKO CONCERNING RELIGIOUS FREEDOM

Right Hon. J. G. Diefenbaker (Prince Albert): I am glad to have that admission because it was widely rumoured around the world that Canada was simply shoved aside in the face of responsible questions and stands taken by the minister. Did the

minister bring out with the representative of the U.S.S.R. the fact that in the Baltic states a policy is now being followed by the U.S.S.R. of destroying Christian churches, demolishing them and refusing permission to the people of those countries to have their own churches and to worship their God as they will?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I did not, I repeat, bring up these matters in precisely those terms. I am sure that the Right Hon. member will understand that I was not privy to his vernacular on the occasion. But I repeat that I have no problem in saying that I re-emphasize now our insistence that the meetings in Belgrade following the Helinski conference embrace all of these matters regarding both human rights and a greater and more free exchange of people, their objectives and their right to carry out their own lifestyle and their own wishes.

POSSIBILITY OF TREATY ENABLING CANADIAN PRISONERS IN MEXICO TO BE REPATRIATED TO SERVE SENTENCES IN CANADA

Hon. Robert Stanbury (York-Scarborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is the government considering or will it consider negotiating, as, I understand, the United States is with the government of Mexico, a treaty which would have as its purpose the voluntary repatriation of prisoners from the jails of one country back to their own country to serve any sentence?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, since coming to the House today I have been advised of a report that the United States—and, I believe, it was also suggested that Canada—was engaged in this kind of negotiation with Mexico. Personally, I am not aware of it. The principle sounds one that we could accept. We will make further inquiries and advise the hon. member in the House.

* * *

TRANSPORT

SHORTAGE OF BOX CARS FOR MOVEMENT OF GRAIN—GOVERNMENT ACTION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the Minister of Transport who is also in charge of the Canadian Wheat Board. In view of the fact that as of last weekend there was a shortage of some 4,800 box cars for grain movement in the Prairie provinces, 3,100 of them on CP tracks and most of them in Alberta, 900 short in Saskatchewan on CP tracks, and many country elevators congested, is the minister aware of this matter? Has he taken it up with the railways, and what action are they taking to increase the supply of cars for grain movement?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, in the report I had the falling behind of loading, which is temporary and not at all serious in the over-all program, the indication was that particular track and bridge problems were the cause. Therefore, the situation can be remedied as soon as those problems are corrected.

Mr. Benjamin: As a consequence of this matter, since there are four ships loading in Vancouver, eight to arrive by the end of this week and six more the following week and not sufficient cars on hand—Thunder Bay does not have a sufficient number of cars on hand to warrant unloadings on the weekends and nothing is happening at Prince Rupert—in fact, there is available space for over 1 million bushels in Prince Rupert and no cars en route—can the minister tell the House whether or not he has requested the railways to arrange an increased supply of box cars and hopper cars for grain movement, supplied at the taxpayers expense, in order to meet what will likely be a difficult situation for grain loadings at those terminals?

Mr. Lang: Mr. Speaker, the hon. member obviously missed the point of the earlier answer. It is not a question of the shortage of cars; it is a question of the speed with which they are turned around, given the track and bridge condition.

An hon. Member: What tracks, what bridges?

Mr. Lang: While the hon. member for Calgary North does not seem to know it, if bridges are out, cars do not move very quickly across them, and obviously they have a problem. I indicated that this matter is of concern, but essentially it is in hand. There is a high volume of stocks in Vancouver and, as the hon. member may know, there have been very few ships waiting for the last eight or ten months. As a result, we have not heard from him on the subject. With these developments, we are glad to hear from him again.

Mr. Benjamin: Mr. Speaker, the minister said there are some bridges out, but he did not say where the cars are. The bridges are not out on all lines. I would like to ask the minister what provisions have been made. There are adequate stocks in Vancouver for loading the ships arriving in the coming week, but there are not adequate stocks for six more ships arriving in the following week. What action is he taking to see that there are sufficient carloads of grain arriving to allow elevator terminals to put on ships on the weekend. Only three terminals will be working this weekend in Thunder Bay, for example, and nothing is happening in Prince Rupert. All the grain companies are complaining that they do not have enough cars on hand.

Mr. Lang: I can assure the hon. member that I have full confidence in the ability of the Canadian Wheat Board to handle the situation. I know that they are fully on top of the situation and will overcome the current temporary difficulties as they did when a much more serious problem arose with a bridge in New Westminster. If the Canadian Wheat Board feel they need my assistance, they will let me know it. They have not done so until this time, so I ask the hon. member to share my confidence in the Canadian Wheat Board.

ENERGY

GOVERNMENT POSITION ON NOVA SCOTIA'S PROPOSAL FOR AID WITH COST OF ELECTRICITY

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I should like to direct a question to the Minister of Energy, Mines and Resources with respect to his policy toward the Atlantic provinces, not long-term solutions but rather whether he really intends to take any action with respect to the immediate problem facing the people there of a 65 per cent increase in rates. Is he deliberately pursuing a secretive and conspiratorial attitude toward this subject, or he is now prepared to tell me and the members of the House whether the government will come up with a decision with respect to the equally highly secret and conspiratorial proposition put before the minister and the government by the government of Nova Scotia?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I indicated the other day that we hope to make a decision before the end of the year. May I go on to say that there is nothing secret or conspiratorial about this matter, unless it be on your side of the House.

Some hon. Members: Order.

Mr. Gillespie: It is not at all clear to me where your leader stands on oil prices. I believe he would have been for higher prices. I can understand your anxieties in this respect—

Some hon. Members: Oh, oh!

Mr. Stanfield: I would like to ask the minister a very simple question. I would like to believe he is an honest man.

Some hon. Members: Oh, oh!

An hon. Member: Certainly he is simple.

Mr. Stanfield: If there is nothing secret or conspiratorial about the proposal put forward by the government of Nova Scotia, which the minister insists that he and the government of Canada are considering and which, frankly, I do not believe they are seriously considering, why will the minister not say what it is that the government is pretending to consider?

● (1440)

Some hon. Members: Hear, hear!

Mr. Gillespie: I have said repeatedly that we are quite prepared to make it public if the premier of Nova Scotia agrees. It was his document. It was his proposal made to us. I ask the hon. member to be open and to reveal his secret conspiratorial position with respect to prices.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): You are a wind tunnel.

Mr. Stanfield: I think we can all agree now that the suggestion I made about conspiracy and secretiveness was fully justified.

Some hon. Members: Hear, hear!

Mr. Stanfield: I would like to ask the minister whether he is prepared to use the last opportunity he has to be credible on this subject in the Atlantic provinces and in Canada by coming clean and dealing openly and honestly with this proposition.

Mr. Gillespie: I put it to the hon. member that the letter was written to the government in confidence, and before the government releases that document, it should get the agreement of the person who wrote it. That is the position the government has taken. We have not been able to secure his agreement.

RESEARCH ON ALTERNATIVE SOURCES—GOVERNMENT ACTION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is also to the Minister of Energy, Mines and Resources. It is now apparent that the government is not intending to implement the recommendations of its own task force of last year, nor does it have any intention of following up the commitment made in the throne speech to channel more money into research and development of exotic energy sources. Can the minister tell the House whether this government has any intention of going into partnership with the provinces and bringing on stream conversion plants for biomass and industrial wastes, things for which technology is already known, but for which some stimulation from the federal government is needed?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, we are already involved in a number of shared-cost programs with the provinces, and it is quite incorrect for the hon. member to state that we are not interested in increasing our energy research and development expenditures. We have made it quite clear—and I think I have made it quite clear in answer to the first and second questions today—that we would be doing so.

Mr. Oberle: Could the minister tell us how much money is in the budget this year for research and development? The information we have indicates that the government is not spending any money at all in this field, except for a few minor demonstration projects.

Mr. Speaker: Order, please. That question might properly be asked in some other way. The hon. member for South Western Nova.

* * *

FISHERIES

POSSIBILITY OF ESTABLISHING FIFTY-MILE ZONE FOR BOATS UNDER ONE HUNDRED FEET IN LENGTH

Miss Coline Campbell (South Western Nova): Mr. Speaker, my question is to the Minister of Fisheries and the Environment. In view of the minister's statement yesterday that at present he is considering fish plans for 1977, and in view of his

action in the gulf, will he now consider establishing perhaps a 50-mile limit off the coast of Nova Scotia in which only boats under 100 feet could fish, since boats over 100 feet will be able to go further once we have established the 200-mile limit?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, I do not fully agree with the hon. member's association of the decision to remove large vessels from the gulf with the proposal she is making. This proposal has been made by some fishermen's organizations. The implications of it are really quite serious, and I would be very hesitant to substitute disagreements between the provinces and groups of fishermen for those we have started to sort out with the international community.

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HARBOURS

ALLEGED APPOINTMENT OF MR. WOODALL TO IMPLEMENT NEW PORTS POLICY—BASIS FOR DELEGATING AUTHORITY TO PORT CHAIRMEN

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Transport. Has Michael Woodall been hired, effective November 1, to implement the new ports policy?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am not familiar with any such development. There were certain other people involved in the implementation of the ports policy the last time I looked, but I will check for the hon. member.

Mr. Fairweather: Under what legislation have the various port authority chairmen been delegated authority by the National Harbours Board effective January 1, 1977? The minister will recall that such a delegation was ruled out by his ministry about two years ago.

Mr. Lang: Certain delegation of authority has taken place with regard to a number of ports in Canada over the last couple of years, notably Vancouver and Montreal, and this pattern with the same authority is being employed in other ports.

* * *

[*Translation*]

FISHERIES

DANGER POSED BY TANKER IN STRAIT OF JUAN DE FUCA—GOVERNMENT ACTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I would like to ask a question of the Minister of Fisheries and the Environment.

I would like to ask him if he was made aware of the case of the tanker *White Peony*, loaded with 24.5 million gallons of crude oil, which was found during last weekend roaming in the Juan de Fuca strait, looking for a pilot, navigating in Canada-

[Miss Campbell (South Western Nova).]

American waters and therefore endangering other ships plying the same commercial fishing and sporting waters?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, maybe I did not quite understand what the question was about, but I can make inquiries and inform the hon. member tomorrow. If it is related to pilots, I think it is under the responsibility of the Department of Transport.

* * *

[*English*]

AGRICULTURE

RESTRICTION OF IMPORTS OF BEEF AND VEAL—CONTINGENCY PLAN FOR PERIOD BEYOND JANUARY 1, 1977

Mr. Arnold Malone (Battle River): Mr. Speaker, my question is for the Minister of Agriculture. Does the minister have a contingency plan for the restriction of imports of offshore beef and veal for the period beyond January 1, 1977, and if so, what is the nature and duration of this plan?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know if I would call it a contingency plan at all because it depends on negotiations between Australia and New Zealand and Canada and the United States, and it also depends on what the United States might do. However, we are prepared to act with a program of our own in case they may do one of many different things.

Mr. Malone: In order that there might be some security put back into the beef market in Canada, I wonder if the minister can tell us if he has any plan to stabilize the market system of this country, and by that I do not mean supply-management.

Mr. Whelan: To put beef marketing into its proper perspective there has to be some supply-management, no matter whether it happens to be a Whelan plan or a President Ford plan or anything else.

An hon. Member: You are both going the same way.

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EXTERNAL AFFAIRS

SOVIET UNION—INQUIRY WHETHER REPRESENTATIONS MADE BY MINISTER FOR RELEASE OF GEORGI VINS

Mr. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs, following my motion under Standing Order 43 today and the questions of the right hon. member for Prince Albert. I would like to ask the minister whether any specific representations were made by him or any other Canadian government officials during the visit to the U.S.S.R. that prisoners of conscience, especially prisoners such as Georgi Vins, about whom the minister received numerous representations might be released and allowed to practice their faith in freedom?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I would have to check precisely on the name the hon. member gave in order to know whether that name was included on a list. However, I can tell the hon. member that following my meetings in the Soviet Union the Canadian ambassador in Moscow was instructed by me to convey to Soviet officials specific representations, some of which had been received by me while I was in the Soviet Union and others which had come prior to my departure. I think I am safe in assuring the hon. member that if there were individual representations, these have been conveyed to officials of the Soviet government by now.

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CANADIAN BROADCASTING CORPORATION

OBJECTION TO DOCUMENTARY ON FRENCH CULTURE IN VILLAGE OF PAINCOURT

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Secretary of State, and it relates to a documentary on French culture in the village of Paincourt, which appeared on CBET Windsor, channel 9 during the early part of the evening on Monday, October 26. The major part of that documentary involved the showing of a hotel and a nude stripper.

Some hon. Members: Oh, oh!

● (1450)

Mr. Holmes: Mr. Speaker, as a member of the village and resident of that particular township familiar with the culture and traditions of the village, I ask the minister if he will make a thorough investigation of that obviously unbalanced program which was an insult, Sir, to all the residents of that area. Will he insist upon a public apology being made to the citizens of Paincourt and the residents of the township.

Hon. John Roberts (Secretary of State): Mr. Speaker, I congratulate the hon. member on living in such a splendid community. I regret to say that I was unaware of the documentary and thus did not have a chance to see it, but I shall be pleased to look into the matter with extremely perceptive attention.

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GOVERNMENT ADMINISTRATION

DECENTRALIZATION—REQUEST FOR NAME OF DEPARTMENT WHICH MIGHT BE MOVED TO CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question to the Acting Prime Minister concerns representations I made over a long period to the Minister of Industry, Trade and Commerce, when he was President of the Treasury Board, the Minister of Supply and Services and the previous Minister of National Revenue, in the form of letters, questions in the House and personal conversations with regard to decentralization. Is the Acting Prime Minister now in the position or will he be in the position shortly to announce what department of government will be transferred to Cape Breton Island, an area of chronic unemployment where, unfortunately, as the minister knows, the present unemployment rate is running at between 25 per cent and 30 per cent? May I ask the minister if he is still sending diplomatic notes to his colleague, the Minister of Industry, Trade and Commerce, on this subject?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, now he is in the position to send direct notes.

Mr. Clark: But does he read them?

POSSIBILITY DEPARTMENT OF FISHERIES TRANSFERRED TO CAPE BRETON

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I am surprised at the Acting Prime Minister's not being more interested. May I direct a supplementary question to the Minister of Fisheries and ask him if negotiations are going on at the moment, as was suggested yesterday or the day before by the Premier of Nova Scotia, for the possible transfer of the Department of Fisheries to Sydney, Cape Breton Island?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, I have no quarrel at all with the choice of the site. As to the suggestion, I must confess it is a surprise to me.

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THE MINISTRY

REQUEST FOR STATEMENT ON RESPONSIBILITIES GIVEN TO MEMBER FOR ST. BONIFACE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I have been attempting to ask a question of our newest cabinet minister since his swearing in yesterday morning, but have not seen him in his seat for more than a couple of minutes. Mr. Speaker, my question is directed to the newly appointed Minister without Portfolio, the hon. member for St. Boniface.

Some hon. Members: Hear, hear!

Mr. Fraser: You'll have to say more than no, Joe.

Mr. Lawrence: I ask the minister, what special, extra responsibilities has he been given by the Prime Minister which would justify the extra burden his elevation to the cabinet imposes on the taxpayers of this country?

Hon. Joseph-Philippe Guay (Minister without Portfolio): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Fraser: Say no, Joe.

Mr. Fairweather: Speak up, Joe.

Mr. Guay (St. Boniface): I should like to give the hon. member an appropriate answer by telling him, first, that one of my responsibilities will be to represent the people of Manitoba to the best of my ability.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): I look forward to doing that. In a lighter vein, I can tell the hon. member that I often have secret meetings with the chief Whip of the opposition. That is a military secret, and I will not tell him anything more about it.

Some hon. Members: Hear, hear!

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VETERANS AFFAIRS

SUGGESTED PRORATA PENSIONS FOR WIDOWS OF VETERANS WHOSE PENSIONS LESS THAN FORTY-EIGHT PER CENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs? Since Remembrance Day is only a week away, will the minister consider, in honour of that day, the introduction of legislation to provide prorata pensions for widows of veterans where the veteran's pension was less than 48 per cent?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, it is under consideration by the government, as is other legislation.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Will the minister do his best to persuade the government to permit him to make a statement of policy on this matter before Remembrance Day?

Mr. MacDonald (Cardigan): Mr. Speaker, I will take that under consideration.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

NAME OF MINISTER RESPONSIBLE FOR AGENCY

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. The other day, as reported in *Hansard*, in the absence of the Acting Prime Minister and of the Secretary of State for External Affairs the Prime Minister indicated that the location of the responsibility for CIDA was a matter for discussion between the Acting Prime Minister in his capacity as House leader and the Secretary of State for External Affairs. I wonder if the Acting Prime Minister can advise the House—

Some hon. Members: Oh, oh!

[Mr. Fraser.]

Mr. Clark: Mr. Speaker, I do not think the interjections from the other side will last long enough to get the minister beyond the question period. I ask the Acting Prime Minister whether he is now in a position to report upon the conclusion of the discussion between himself and the Secretary of State for External Affairs and whether he can tell us which minister will continue to be responsible for CIDA in this House. If the minister cannot tell us, perhaps he would like us to consult with the Clerk of the Privy Council.

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, in reply to the question of the Leader of the Opposition, the situation has not changed since the question was answered by myself last week and on Monday of this week by the Prime Minister. The situation is as described by both of us. The Secretary of State for External Affairs and I have not had the chance to resume our discussions since his arrival back from his very successful trip to Europe.

Mr. Clark: A supplementary question, Mr. Speaker. Can the Acting Prime Minister tell the House when he expects to be on speaking terms again with his colleague, the Secretary of State for External Affairs—

An hon. Member: Cheap shot!

Some hon. Members: Oh, oh!

Mr. Clark: —and when the House and country may tell which minister is going to be responsible for reporting in this House on CIDA?

Mr. MacEachen: Mr. Speaker, I am sorry; I did not hear the question of the Leader of the Opposition.

Some hon. Members: Oh, oh!

An hon. Member: Ask Schumacher.

Mr. Clark: I apologize to the government House leader for the conduct of his caucus.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The difficulty is that I was unable, as well, to hear the Leader of the Opposition. Perhaps he would ask his question.

Mr. Clark: Mr. Speaker, I would hope that the government House leader will be able to get his caucus under control fairly soon.

Some hon. Members: Oh, oh!

Mr. Clark: May I ask when the Acting Prime Minister expects the House and country to be advised on who is going to be responsible for reporting to parliament on the activities of CIDA?

● (1500)

Mr. MacEachen: Mr. Speaker, the Secretary of State for External Affairs is responsible for reporting to the House on CIDA. If and when that situation changes, the House will be notified.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. In prefacing my usual business question today, I wish to say that the official opposition is delighted with the announcement that the Acting Prime Minister made today with regard to the introduction of the Independence of Parliament Act, particularly in view of the fact that government members rejected a motion which would have allowed a study of this subject earlier in the week, the motion having been made by a member of the official opposition.

Dealing with the matter of the legislative program, I ask the House leader to inform the House of the business that he contemplates for the balance of this week and perhaps next week. Is the House leader prepared to make a statement today with regard to the arrangements concerning Remembrance Day, and with respect to Friday, November 12? There have been some discussions on that. In addition, will he designate on the order paper the opposition days which he and I have discussed and which I understand are in order, subject to certain caveats which he wishes to make.

Mr. MacEachen: Mr. Speaker, I will be able to deal with all the points raised by the hon. member. On the first question with regard to the regular business of the House, we will continue with the borrowers and depositors act. If it is necessary to complete the business of a particular day, we will call the Currency and Exchange Act and the Canada Land Surveys Act. However, at the beginning of the next full day I will call the government expenditure restraint bill. On Tuesday next it is my intention to have an allotted day. For planning purposes, I wish to indicate to the House that the following are proposed as allotted days in addition to November 9: November 18, November 26, December 1 and December 9.

With regard to the sittings of the House next week, as hon. members know, Thursday of next week is Remembrance Day and is, accordingly, a day when members are in their constituencies. In order to make the proper arrangements for next week, it is my proposal that we not sit on the Friday following Remembrance Day and, in order to pick up some time, that we sit for an extra two hours on Tuesday, November 16. If these arrangements are agreeable to hon. members I am ready to propose a motion that will put them into effect. I shall read the motion and then ask for consent. I propose to move:

That when the House adjourns on November 10, 1976, it shall stand adjourned to November 15, 1976; and that the House shall sit from 11 a.m. to 1 p.m. on November 16, 1976, for the purpose of considering government business.

If I have consent, I will move that motion.

Mr. Speaker: The President of the Privy Council seeks the consent of the House to put the motion at the present time. Does he have unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: Mr. MacEachen, seconded by Mr. Macdonald (Rosedale), moves:

That when the House adjourns on November 10, 1976, it shall stand adjourned to November 15, 1976; and that the House shall sit from 11 a.m. to 1 p.m. on November 16, 1976, for the purpose of considering government business.

Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on the same point of order. While we are discussing future business of the House, may I ask the House leader how soon we may expect the reintroduction of the human rights bill which was before us but not considered in the last session. Can he say when that bill will be introduced, and whether the provisions in it to provide equality between men and women will be improved?

Mr. MacEachen: Mr. Speaker, I certainly hope to have first reading of that bill within the next week or two. I cannot give the hon. member specific information about the various provisions of the bill, but I believe he will find it an improved bill over the bill of last session.

Mr. Marshall: Mr. Speaker, can the House leader advise when we will have the introduction and second reading of Bill C-11, to amend the Pension Act? It is a very simple bill to create a deputy minister of the Pension Review Board.

Mr. MacEachen: Mr. Speaker, I am ready to call that bill at any moment if we can get agreement on how to deal with it. We could interrupt the normal business which I have announced, at a particular time—after consultation with the Minister of Veterans Affairs (Mr. MacDonald)—to give it second reading.

Mr. Baker (Grenville-Carleton): Mr. Speaker, the minister did not mention the harbours and ports legislation among the list of priorities. Is he contemplating early action with regard to that? It is important in terms of arrangements that I must make.

Mr. MacEachen: Yes, Mr. Speaker. If, for example, we succeed in concluding the bill presently before the House, the borrowers and depositors act, we could then proceed to the currency exchange, fishing and recreational harbours and land surveys bills. However, as I indicated, if we are beginning a

full day with a new item tomorrow, the new item I would call would be the expenditure restraint bill.

[*Translation*]

Mr. Speaker: The hon. member for Richmond (Mr. Beaudoin) on a point of order.

Mr. Beaudoin: Mr. Speaker, could the government leader tell the House when he is going to introduce a bill on the tax exemption under registered retirement savings plans, allowing a private company owner to claim a $3,500 deduction instead of $2,500.

[*English*]

Mr. MacEachen: Mr. Speaker, we will be proceeding with the income tax bill flowing from the budget. However, I am not contemplating any new budgetary provisions beyond those that were announced by the Minister of Finance. It appears that the proposal put forward by the hon. member is a matter for announcement in the budget.

* * *

● (1510)

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

First report of the Standing Joint Committee on Regulations and Other Statutory Instruments—(Mr. McCleave).

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

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CAPITAL PUNISHMENT PLEBISCITE ACT

MEASURE TO PROVIDE FOR NATIONAL PLEBISCITE ON ABOLITION OF CAPITAL PUNISHMENT

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-377, to provide for a national plebiscite on the abolition of capital punishment.

He said: Mr. Speaker, the purpose of this bill is to give the people of Canada the chance to make their views known with regard to a decision taken in this House which was unacceptable to a majority of Canadians.

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

* * *

CRIMINAL LAW AMENDMENT ACT (NO. 1), 1977

MEASURE TO REINSTATE CAPITAL PUNISHMENT

Mr. John Reynolds (Burnaby-Richmond-Delta) moved for leave to introduce Bill C-378, to amend the Criminal Code in relation to the reinstatement of capital punishment.

[Mr. MacEachen.]

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

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PUBLIC WORKS

PETITION RELATING TO TERRASSES DE LA CHAUDIÈRE PROJECT

Mr. Ron Huntington (Capilano): Mr. Speaker, pursuant to the provisions of Standing Order 67, I hereby present a petition relating to the circumstances surrounding and leading to the terms and conditions of the Terrasses de la Chaudière project in the national capital region. The petitioners pray that this honourable House inquire into such matters and provide such remedy as this honourable House may determine.

Some hon. Members: Hear, hear!

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 38, 50, 115, 176, 370, 580, 611, 683, 712 and 813.

[*Text*]

PRIME MINISTER'S TRIP TO JAMAICA—1976 EASTER VACATION

Question No. 38—**Mr. Cossitt:**

1. With reference to the answer to Question No. 5,339 of the First Session of the 30th Parliament, which stated in part that the Prime Minister travelled to and from Jamaica on his 1976 Easter vacation by commercial aircraft, does this represent a change in the previous policy of the Prime Minister to use government owned aircraft for pleasure and political trips and, if so (a) what are the reasons for this change (b) on what date was it decided (c) will the Prime Minister continue to use commercial aircraft for pleasure and political trips?

2. Were air fares of persons accompanying the Prime Minister paid for by the taxpayer and, if so, what are their names and job designations?

3. Did any person including the Prime Minister travel to and from Jamaica using a free pass on the Air Canada flight involved and, if so, what is the name and job designation of each person who was provided with free transportation?

4. Did a member of the RCMP or any other government employee accompany the Prime Minister and, if so, what are their names and job designations and who paid their air fare?

Right Hon. P. E. Trudeau (Prime Minister): 1. See line 44, part 4 of reply to Question 69, *Hansard* 237, page 10581, dated February 3, 1976.

2. See reply to Question 5339, *Hansard* 294, page 13153, dated May 4, 1976.

3. The Prime Minister and family (see replies to Questions 2315, *Hansard* 157, page 6918 of June 19, 1975 and 2315 (Supplementary), *Hansard* 174, page 7718 of July 18, 1975.

4. A member of the RCMP—fare paid by the RCMP (see lines 21 to 24, part 4 of reply to Question 69).

OIL SPILL IN ST. LAWRENCE RIVER, WEST OF BROCKVILLE, ONTARIO

Question No. 115—**Mr. Cossitt:**

1. On or about August 21 and 22, 1976, was there a second oil spill in the St. Lawrence River, west of Brockville, Ontario and, if so (a) what are the results of any investigations made by the Department of Transport (b) what is the identity of the vessel (c) what steps have or will be taken to deal with the owner of the vessel (d) what has been or what is the total estimated cost for cleaning up the spill by the Department of Transport?

2. (a) What is the maximum penalty applicable for convictions of an offence of this kind (b) is the government giving consideration to raising the penalty and, if so, what penalty is being considered and on what date will action be taken?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): 1. Yes (a) The United States Coast Guard conducted the investigation but could not identify the ship. (b) unknown; (c) the owner cannot be identified. (d) $32,500.

2. (a) $100,000, (b) The government is not giving consideration to raising the penalty.

TRANSPORT—COST ESTIMATES, JACQUES CARTIER AND RODNEY TERMINALS

Question No. 176—**Mr. Forrestall:**

1. With reference to the answer to Question No. 5,503 of the First Session of the 30th Parliament, is there an allocation of cost for the takeover of quays and back-up land (excluding sheds) in the cost estimates for Jacques Cartier Terminal and, if not, for what reason?

2. (a) What is the government's best estimate of the value of quays and back-up area (excluding sheds) incorporated in Jacques Cartier Terminal (b) how do these estimates compare with those for Rodney Terminal at St. John, N.B. (c) was the cost of existing quays and back-up area included in the St. John estimates?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Cost estimates for budget purposes included direct construction costs only. Project costs included an allocation of cost for the takeover of quays and back-up land.

2. (a) Estimated value of pre-existing quays is $1,077,371. (b) The net book value of quays which were destroyed to permit construction of Rodney Terminal was $2.3 million. The estimated value of existing land and waterlot incorporated in the terminal was $3.1 million. (c) No, only construction costs were included in cost estimates used for budget purposes.

ART BANK SELECTION COMMITTEE

Question No. 580—**Mr. Reynolds:**

1. Who comprises the Selection Committee for the Art Bank that is sponsored by the Canada Council?

2. Is there any other government agency that purchases art for the government and, if so, what is the name of the committee or committees and who serves on them?

Hon. John Roberts (Secretary of State): I am informed by the Canada Council as follows: 1. Since its inception, 144 persons, chosen mainly among artists but also including curators and critics have served on selection committees of the Art Bank and the list for 1975-76 was as follows: Kim Andrews (Toronto); Ted Bieler (Toronto); Zbigniew Blazege (Toronto); Ronald Bloore (Toronto, Ottawa, Oakville, Brampton, Claremont); George Bogardi (Ottawa); Daid Bolduc (Vancouver, Victoria, Ottawa); Jim Borcoman (Ottawa); Robert Bourdeau (Ottawa); John Boyle (Ottawa, Guelph, Georgetown, Stratford, Hamilton); Janice Campbell (Toronto); Robin Collyer (Toronto); Ulysse Comtois (Montréal); Greg Curnoe (Ottawa); Ihor Dmytruk (Edmonton); Paterson Ewen (Ottawa); Bill Ewing (Montréal, Ottawa); Joe Fafard (Ottawa); Bruce Ferguson (Ottawa); Brian Fisher (Ottawa); Robert Frank (Ottawa); Vera Frenkel (Toronto); Charles Gagnon (Montréal, Ottawa, Peterborough, Kingston, Tamworth, Havelock, Glenburnie); Yves Gaucher (Montréal, Québec); Pierre Gaudard (Ottawa, Montréal); Tom Gibson (Ottawa); Ted Godwin (Ottawa); John Greer (St-Jean, Sackville, Halifax, Charlottetown, Moncton, Saint-Jean, Fredericton); Donald Harvey (Victoria); Dave Heath (Ottawa); Terence Heath (Saskatoon); Jules Heller (Toronto); Jacques Hurtubise (Montréal); Gershon Iskowitz (Toronto); William Kirby (Winnipeg); Nobuo Kubota (Toronto); Ken Lochhead (Ottawa); Joan Lowndes (Vancouver, Victoria); Robin Mackenzie (Toronto); Jean McEwen (Montréal, Ottawa, St-Jean, Halifax, Sackville, Charlottetown, Moncton, Saint-Jean, Fredericton); Guido Molinari (Ottawa); Ron Moppett (Calgary); Michael Morris (Ottawa); Doug Morton (Toronto); Ken Morton (Vancouver); Robert Murray (New York); Ronald Nasgaard (Toronto); Jean Noël (Montréal); Bruce O'Neil (Banff); Chantal Pombriand (Montréal); David Rabinowitch (New York); Royden Rabinowitch (Ottawa); Pnina Rajinsky (Ottawa); Gordon Rayner (Toronto, London, St. Catharines, West Lorne, St. Thomas, New York); Don Reichert (Winnipeg, Toronto, Oakville, Brampton, Claremont); Suzanne Rivard-Lemoyne (Ottawa); Henry Saxe (London, St. Catharines, West Lorne, St. Thomas, Guelph, Georgetown, Stratford, Hamilton); Michael Schreier (Ottawa); Jack (Shadbolt (Vancouver)); Vincent Sharp (Ottawa); Gordon Smith (Ottawa, Vancouver); Gabor Szilazi (Ottawa); Takao Tanabe (Calgary); Sam Tata (Montréal); Eugene Tellez (Toronto); Normand Thériault (Montréal); Gilles Toupin (Ottawa, Montréal); Claude Tousignant (Montréal, Winnipeg, Saskatoon, Edmonton, Calgary, Banff); Serge Tousignant (Ottawa); Tony Urquhart (Ottawa); Roger Vilder (Montréal, Kingston, Peterborough, Tamworth, Havelock, Glenburnie, Ottawa); Irene Whittome (Montréal, Québec, Ottawa); Shirley Wiitasalo (Toronto); Karen Wilkin (Edmonton); Dennis Young (Ottawa).

I am informed by the National Museums of Canada as follows: 2. The National Museums of Canada purchases art for the national collections of the Corporation. Acquisitions are made on the recommendation of the Director of the appropriate museum for the approval by the Board of Trustees of the Corporation and in special circumstances of the Minister and Treasury Board.

Order Paper Questions

SCIENCE AND TECHNOLOGY—REGIONAL OFFICES

Question No. 611—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Ministry of Science and Technology (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Hon. James Hugh Faulkner (Minister of State for Science and Technology): In so far as the Ministry of State for Science and Technology is concerned: Nil return.

NATIONAL DEFENCE—SUPERANNUATION ACCOUNT

Question No. 683—**Mr. McKinnon:**

What was the standing of the Canadian Forces Superannuation Account on (a) October 1, 1975 (b) October 1, 1976?

Hon. Barney Danson (Minister of National Defence): (a) and (b) The standing of the Canadian Forces Superannuation Account on October 1, 1975 and on October 1, 1976 follows:

Standing of the Canadian Forces Superannuation Account

	October 1, 1975	October 1, 1976
Current contributions	781,620,196.69	835,395,192.26
Arrears of contributions	48,237,174.76	49,393,988.50
Transfer from other funds	9,501,653.28	10,988,738.63
Interest	1,026,676,988.18	1,113,678,502.86
Government contributions	1,412,648,692.70	1,512,995,374.42
Unclaimed accounts	457,234.92	467,751.64
Undelivered cheques	147,394.33	151,513.72
Repayments of annuity (Bill C-52)	—	287,514.88
Sub Total	3,279,289,334.86	3,523,358,576.91
Less:		
Payments of Annuities and Annual Allowances	960,227,179.86	1,118,935,109.51
Payments of Cash Termination Allowances and Returns of contributions	174,758,018.88	180,391,466.40
Payments of Interest on Returns of Contributions	—	137,434.77
Transfers to other Pension Funds	3,699,394.89	4,842,576.99
Payments of Estate Tax and Succession Duties	6,708.87	6,708.87
Sub Total	1,138,691,302.50	1,304,313,296.54
Total	2,140,598,032.36	2,219,045,280.37
Actuarial Account		
Actuarial Liability Contributions	3,296,919,000.00	3,310,399,000.00
Interest to date	889,207,115.63	1,059,180,622.29
Total	4,186,126,115.63	4,369,579,622.29
Grand Total	6,326,724,147.99	6,588,624,902.66

[Mr. Roberts.]

PARKS CANADA SCHOLARSHIPS PROGRAM

Question No. 712—**Mr. Marshall:**

1. Were applications received from Newfoundland under Parks Canada $4,000 Scholarships Programme to assist graduate students in the pursuit of studies related to the conservation, management and interpretation of the natural and historic resources of Canada?

2. Were applications received from Newfoundland under the Scholarship Programme for undergraduates of Indian and Inuit origin to increase the opportunities for employment of native people in areas of environmental and historical conservation and interpretation, outdoor recreation and the natural sciences?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No applications were received from Newfoundland under the Parks Canada Graduate Scholarships Program for 1976-77.

2. No applications were received from Newfoundland under the Parks Canada undergraduate Scholarship Program 1976-77 for registered Indians and inuit. This was searched both by province of permanent residence and by university attended.

ACTING MINISTERS AND SECOND ACTING MINISTERS

Question No. 813—**Mr. Knowles (Winnipeg North Centre):**

What are the names of the (a) acting ministers (b) second acting ministers of each department of the government?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): P.C. 1976-2303. Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the September 20, 1976. The Committee of the Privy Council, on the recommendation of the Prime Minister, advise: 1. That in the absence from Ottawa of the Prime Minister or in the event of his being unable to perform the functions of his Office, the next Senior Minister who is in Ottawa, and is able to perform the functions of the Office of Prime Minister, be authorized to act for the Prime Minister;

2. That in the absence from Ottawa of a Minister whose name is set out in Column II of an item of the Schedule to this Minute, or in the event of that Minister being unable to perform the functions of his Office, the Minister whose name is set out in Column III of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

3. That in the absence from Ottawa of the Ministers named in Columns II and III of an item of the Schedule to this Minute, or in the event of both of those Ministers being unable to perform the functions of their Office, the Minister whose name is set out in Column IV of the item be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

4. That in the absence from Ottawa of the Ministers named in Columns II, III and IV of an item of the Schedule to this Minute, or in the event of all those Ministers being unable to perform the functions of their Office, the Prime Minister or, if the Prime Minister is absent from Ottawa or unable to per-

form the functions of his Office, the next Senior Minister who is in Ottawa be authorized to act for the Minister named in Column II in respect of the Office set out in Column I of the item;

5. That where an Office set out in Column I of an item of the Schedule to this Minute is vacant, the Minister whose name is set out in Column III of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item; and

6. That where an Office set out in Column I of an item of the Schedule to this Minute is vacant, in the absence from Ottawa of the Minister whose name is set out in Column III of that item, or in the event of that Minister being unable to perform the functions of the Office set out in Column I of that item, the Minister whose name is set out in Column IV of that item be authorized to act in the Office of the Minister whose Office is set out in Column I of that item.

P.C. 1976-2303
List of Acting Ministers

	Column I	Column II	Column III	Column IV
	Office	Name	Acting Minister	Second acting Minister
1.	Agriculture	Mr. E. F. Whelan	Mr. D. J. MacDonald	Mr. O. E. Lang
2.	Communications	Mrs. J. Sauvé	Mr. A. W. Gillespie	Mr. J. H Faulkner
3.	Consumer and Corporate Affairs	Mr. A. C. Abbott	Mr. M. Lalonde	Miss M. Bégin
4.	Energy, Mines and Resources	Mr. A. W. Gillespie	Mr. D. S. Macdonald	Mr. D. C. Jamieson
5.	External Affairs	Mr. D. C. Jamieson	Mr. A. J. MacEachen	Mr. D.S. Macdonald
6.	Finance	Mr. D. S. Macdonald	Mr. O. E. Lang	Mr. A. C. Abbott
7.	Fisheries and the Environment	Mr. R. LeBlanc	Mr. M. Lessard	Mr. E. F. Whelan
8.	Indian Affairs and Northern Development	Mr. W. W. Allmand	Mr. J. J. Buchanan	Mr. J. Chrétien
9.	Industry, Trade and Commerce	Mr. J. Chrétien	Mr. L. S. Marchand	Mr. R. K. Andras
10.	Justice and Attorney General	Mr. S. R. Basford	Mr. F. Fox	Mr. W. W. Allmand
11.	Labour	Mr. J. C. Munro	Mr. J. Roberts	Mr. J.-P. Goyer
12.	Manpower and Immigration	Mr. J. S. G. Cullen	Mr. R. K. Andras	Mr. M. Lalonde
13.	National Defence	Mr. J. Richardson	Mr. B. J. Danson	Mr. A. J. MacEachen
14.	National Health and Welfare	Mr. M. Lalonde	Mrs. I. Campagnolo	Mrs. J. Sauvé
15.	National Revenue	Miss M. Bégin	Mr. J. S. G. Cullen	Mr. J.-J. Blais
16.	Post Office	Mr. J.-J. Blais	Mr. A. C. Abbott	Mr. J. C. Munro
17.	Privy Council	Mr. A. J. MacEachen	Mr. J.-J. Blais	Mr. J. S. G. Cullen
18.	Public Works	Mr. J. J. Buchanan	Mr. J.-P. Goyer	Mr. M. Lessard
19.	Regional Economic Expansion	Mr. M. Lessard	Mr. R. LeBlanc	Mr. D. J. MacDonald
20.	Science and Technology	Mr. J. H. Faulkner	Mrs. J. Sauvé	Mr. A. W. Gillespie
21.	Secretary of State	Mr. J. Roberts	Mr. J. H. Faulkner	Mr. F. Fox
22.	Solicitor General	Mr. F. Fox	Mr. W. W. Allmand	Mr. S. R. Basford
23.	Supply and Services	Mr. J.-P. Goyer	Mr. J. Richardson	Mr. B. J. Danson
24.	Transport	Mr. O. E. Lang	Mr. S. R. Basford	Mr. R. LeBlanc
25.	Treasury Board	Mr. R. K. Andras	Mr. J. Chrétien	Mr. J. J. Buchanan
26.	Urban Affairs	Mr. B. J. Danson	Miss M. Bégin	Mr. J. Richardson
27.	Veterans Affairs	Mr. D. J. MacDonald	Mr. E. F. Whelan	Mr. J. Roberts

P.C. 1976-2559. Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the October 18, 1976. The Committee of the Privy Council, on the recommendation of the Prime Minister, advise that Order in Council P.C. 1976-2303 of September 20, 1976, which appointed Acting Ministers, be hereby amended by deleting items 23 and 26 from the Schedule thereto and substituting therefor the following:

Order Paper Questions

Column I	Column II	Column III	Column IV
Office	Name	Acting Minister	Second Acting Minister
"23. Supply and Services	Mr. J.-P. Goyer	Mr. J. H. Faulkner	Mr. B. J. Danson"
"26. Urban Affairs	Mr. B. J. Danson	Miss M. Bégin	Mrs. I. Campagnolo"

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 50 could be made an order for return, that return would be tabled immediately.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I understand this is an answer to a question put by the hon. member for Leeds. Could the parliamentary secretary tell us the reason for this request?

Mr. Goodale: The document has just been sent to the table. It is voluminous. The reason for answering the question in this fashion is simply the length of the answer.

Mr. Baker (Grenville-Carleton): Agreed.

[*Text*]

USE OF GOVERNMENT AIRCRAFT BY MINISTER OF TRANSPORT

Question No. 50—**Mr. Cossitt:**

1. How many times since becoming a member of the Cabinet has the Minister of Transport personally made use of government aircraft and, in each case, what was the (a) purpose (b) point of departure and destination (c) type of aircraft used (d) cost to the taxpayer?

2. What was the total cost to the taxpayer of all such trips?

3. Which trips were for personal and political business?

Return tabled.

STARRED QUESTION

[*Text*]

*LRPA—PAYMENTS TO LOCKHEED UP TO OCTOBER 1, 1976

Question No. 370—**Mr. McKinnon:**

How much money has the government paid to Lockheed on the LRPA contract up to October 1, 1976, including the monies paid under the penalty clause of the first contract?

[*English*]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): On behalf of the Parliamentary Secretary to the Minister of National Defence, I should like to provide an answer to this question. Up to October 1, 1976, $20,621,000 (U.S.) which amounts to $20,248,000 Canadian funds has been paid to Lockheed in connection with all phases of the Long Range Patrol Aircraft CP-140 Aurora program. No moneys were paid or are due as a result of the penalty clauses in the P-3 LRPA contract.

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

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

The House resumed, from Wednesday, November 3, consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, in continuing the debate on Bill C-16 let me say at once that since the bill was introduced a few days ago there has been considerable criticism of the poor manner in which this measure has been drafted. Consumers and lenders have listed complaints with regard to the proposals before us. They have drawn attention to inequities in those proposals. Once again we are being asked to deal with legislation which has been drafted in the absence of proper consultation with the borrowers and the lenders organizations.

The government would like us to hasten the debate on the various bills which are brought forward, but there is no way in which we in the opposition will agree merely to rubber-stamp pieces of legislation which have not been properly drafted and with respect to which the legitimate interests of those con-

cerned have not been taken into account. The Canadian Bankers Association considers it uncomplimentary to banks to have them and other legitimate financial institutions lumped together with loan sharks under the borrowers protection bill. This matter was mentioned yesterday.

Loan-sharking, Mr. Speaker, has nothing to do with the bill before us. Loan sharks form part of the criminal element and should be dealt with by the police. Mr. Frazee, who is the executive vice-president and chief general manager of the Royal Bank of Canada, feels the government, in seeking to achieve the commendable object of ensuring that the consumer is protected against unscrupulous lenders, has gone overboard in introducing legislation which covers all financial institutions. He also warned that if increased costs for legitimate lenders were involved in meeting the provisions of the bill, everybody, including consumers, would end up suffering.

Referring to the view of the government that because they have computers financial institutions should find no problem meeting the provisions of the bill, including the provision which specifies that interest shall be calculated and credited daily on deposit accounts, Mr. Frazee pointed out that all financial institutions are not fully computerized—the Royal Bank is not, for example—and that these provisions would mean employing increased personnel.

In addition, Mr. Frazee objects strongly to what he sees as an assertion in the bill that a lender is guilty until proved innocent. This is a reference to the unwarranted rate concept: the bill allows a borrower who believes he is being overcharged to stop payment on a loan or to apply to the court for a review of the credit charges. In case of such dispute, the onus would be on the lender to prove that the rate charged reflected only the normal cost of lending money and the risk presented by the borrower. Mr. Frazee suggested that this provision might allow some unscrupulous borrowers to take advantage of lenders. Another aspect of this bill to which Mr. Frazee objects is the one which prescribes that lenders must state a single effective credit charge for each loan. Included in that charge would be interest, insurance charges, brokerage fees and charges for appraisals, investigations and credit reports.

The views I have put on the record are examples of the criticisms which this poorly-prepared piece of legislation has been receiving. I can see we shall have our work cut out in committee before we are finished with the legislation. In all probability, the bill will have to be completely rewritten, and this would be just another useless and unnecessary delay in the operation of the House of Commons.

● (1520)

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Broadview (Mr. Gilbert) on a point of order.

Mr. Gilbert: Mr. Speaker, yesterday during my speech on Bill C-16 I stated that to solve the problem of loan-sharking and excessive interest rates the minister was proposing to set a legal ceiling on interest rates. That legal ceiling would be seven times the present prime rate; in other words, the legal ceiling that the minister intended to have would amount to between 70 and 75 per cent.

The minister challenged me on this, and I replied that I had read this information in press releases from the minister's office, that I had heard it said by the hon. member for Windsor West (Mr. Gray), by Conservative members and by one of my colleagues. The minister then rose on a point of order. I might say that when I said I had heard of it from one of my colleagues, the minister said that I had given a false impression. Therefore, I told the minister that after my speech I would check my notes to see where I had found the formula that the minister was proposing, and if I was mistaken and it was not in any of his releases, I would apologize to him.

I have checked my notes and the press releases, Mr. Speaker, and it certainly is not in the minister's press releases or in his speech. Therefore, I should like to apologize to the minister for making that statement. However, I should like to tell the House where I did get that statement and probably where Conservative members and the Liberal member for Windsor West (Mr. Gray) and my colleague from Timiskaming (Mr. Peters) got it. They got it from a letter that was sent to the minister by the Consumers' Association of Canada, dated October 20, 1976. I checked with the Consumers' Association of Canada who informed me they had obtained that information from a presentation contained in legislative proposals prepared by the minister's department for a convention in Ottawa of federal and provincial consumer and corporate affairs ministers. The proposal was used for discussion purposes on December 1, 1975.

Furthermore, Mr. Speaker, the CAC said they had an interview with the minister and his officials, and their letter of October 20 relates to those interviews. At that time the unwarranted rate was mentioned—in other words, the rate between 70 and 75 per cent, anything in excess of that being a criminal rate. They did discuss it with the minister and his officials and the minister did not deny it. As a result, the Consumers' Association of Canada wrote to the minister setting forth their views in that regard.

To further strengthen my contention in regard to the formula of seven times the basic rate, namely, between 70 and 75 per cent, and any interest charge over 75 per cent being a criminal rate, I checked with provincial ministers. I was advised that officials of the Department of Consumer and Corporate Affairs have advised officials in provincial departments of consumer and corporate affairs that this was the rate intended to be used by the minister with regard to the regulations he hopes to present to the committee.

In these circumstances, Mr. Speaker, although I have apologized to the minister for making a mistake by saying the information came from his press releases, I think he has been unfair not only to me but also to the hon. member for Windsor West, to Conservative members and certainly to my colleague for Timiskaming, and he owes it to the House to clarify the matter and to state categorically what the unwarranted rate and the criminal rate will be. It is not sufficient that he wait until we get to committee stage when he can present his

regulations. The least he can do is to be fair to members of the House and tell them at this time. Otherwise, I think he has been unfair to me in challenging where I obtained that information.

The Acting Speaker (Mr. Turner): Order. I would like to quote Standing Order 37(1):

No member may speak twice to a question except in explanation of a material part of his speech which may have been misquoted or misunderstood, but then he is not to introduce any new matter, and no debate shall be allowed upon such explanation.

The hon. member for Cape Breton-East Richmond (Mr. Hogan).

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, before commencing my remarks I wish to congratulate the minister on his appointment from the backbenches. Being just two years in the House, he will realize that anything I say derogatory of the bill—because I really do not have much good to say about it—is nothing personal. I find it rather astounding, as one who still accepts the fact that there is a supernatural order and that there can still be miracles; but this is a new kind of miracle, that a minister can be appointed and within a month bring in legislation. It must have been churning through the bureaucracy. I get a great kick when I read legislation like this and realize that some are opposed to the decentralization policies of this government. For goodness sake, if this is the kind of efficiency that exists in the bureaucracy in Ottawa, it is no wonder the country is facing such terrible economic obstacles. I do not want to make a blanket condemnation, of course, because this would be quite unfair to many dedicated civil servants in various offices. Nevertheless, it seems to me obvious that one case of incredible inefficiency on the part of swollen bureaucracy in Ottawa is evidenced by the provisions of Bill C-16.

The minister says the bill is long overdue. That is one of the great understatements of this parliament. The minister has pointed out that under the British North America Act the subject of interest falls within federal jurisdiction, and he was frank enough to admit that existing legislation was hopelessly out of date. The fact that the Small Loans Act has not been amended for 20 years says a good deal about the way this country has been governed, and its economy managed, by recent Liberal governments.

The minister knows that since 1946 the total consumer debt of this country has increased from roughly $1 billion to more than $23 billion. As he noted, more than 65 per cent of that increase has occurred since 1967. In the period 1947 to 1975, non-mortgaged debt has increased three times as much as disposable income. Again I repeat that this says something for this and past Liberal administrations which have been so snail-like in attempting to make an honest commitment to protect borrowers from the inadequacies of present institutional arrangements between borrowers and lenders.

In light of spiralling increases in consumer debt in this country during the last 15 years, and the increasing publicity given to the maldistribution of income that exists, it is amazing that we have taken so long to give adequate credit protection to the working and non-working poor, or at least to consider reforms in existing legislation. One would have thought that, given the fact that Great Britain, the United States and the most progressive European countries in the last 15 years introduced the type of legislation that is before us in this bill, this would long ago have spurred this government to come up with meaningful protection for low income borrowers, as they promised so fervently during the 1974 election campaign. It has taken them 2½ years to get where we are now, Mr. Speaker. A lot of time will be spent in committee mending this legislation before I, for one—and, I think my party—will consider voting for it.

• (1530)

Since this legislation is designed, presumably, to protect those who are suffering from the persistent and continuing maldistribution of the national income, it might be well to remind ourselves of the seriousness of this disease which we seem to find so difficult to face. The widespread inequity in the distribution of the economic pie is suggested in a comparison of the figures issued by Statistics Canada for the period 1965 to 1974 which relate to the distribution of income by income groups. The percentage of total income received by family units—which is defined as including families and unattached individuals—between 1965 and 1974, for the bottom 20 per cent compared to the top 20 per cent, reveals the following: in 1965 the bottom 20 per cent received 4.4 per cent of the total economic pie, and in 1974 they received 4 per cent. While the top 20 per cent received 41.4 per cent in 1965, by 1974 they received 42.5 per cent. The sad part is that both in Canada and the United States the relative position of these groups has been the same since 1951, despite the increase in all the individual components that go to make up the welfare state in a mixed capitalistic system.

If we consider the distribution of income by income group and do not include family units which take in unattached individuals but only families, we find that the bottom 20 per cent earned less than $3,320 in 1965, and the top 20 per cent earned more than $8,944. In 1974 the bottom 20 per cent earned less than $7,480, while the top 20 per cent earned more than $20,174. The total income received by these families in 1965 was 6.2 per cent for the bottom 20 per cent, while in 1974 they received 6.3 per cent: In 1965 the top 20 per cent received 39 per cent, and in 1974 they received 38.8 per cent. According to Statistics Canada, in 1974 there were 5.5 million families in Canada and 93,500 families received less than $3,000 a year.

Some people claim that these statistics need to be qualified. It is pointed out, for instance, that the lowest income group who get such a teeny-weeny morsel of the economic pie are not a permanent group, but change from generation to generation. In the parlance of economists, they are a flow and not a stock. This takes nothing away from the argument that the lowest 20 per cent, made up largely of senior citizens and single women who are heads of households, suffer badly in our economic system. It is also pointed out that these figures make no

allowance for income "in kind", such as medicare and low-cost drugs for elderly citizens. But the very rich also receive the benefit of medicare, old age pensions, etc. Since we are talking about the relative positions of income groups, this fact has also to be considered. It is difficult for anybody to rationalize the curious and ugly symmetry which characterizes income distribution in Canada.

The report of the Senate committee on poverty which was published in 1971 showed that one of the major causes of low income, or poverty, was that regressive taxes such as sales, excise and property taxes, fall more heavily on these unfortunate groups. In other words, the effect of the income tax system which is progressive—that is, based on the ability to pay—is cancelled by the low income groups paying a proportionately higher share of these taxes that are not based on ability to pay. We all know that tax loopholes and shelters favour the high income groups in our society. We will be more specific on this matter later, Mr. Speaker.

In the debate on the Speech from the Throne, the leader of our party pointed out that under the registered retirement savings plan a tax shelter allowed those earning $25,000 or more to stash away $1,502 in 1974, while those in the $5,000 to $10,000 income bracket only saved an average of $34 under the same scheme. This party, in season and out of season, has stressed the unfairness of our total tax system.

In the 1972 election campaign we pointed out that the rich and the very large corporations were receiving income welfare payments and subsidies from the Liberal government through inequities in the tax system. We were told this was socialist propaganda. We pointed out that all kinds of hidden subsidies were being given to the large corporations and the upper income groups in our society. We were accused of pandering to the lazy by trying to correct some of these gross abuses through such things as a guaranteed income for the working poor and the non-working poor. It always struck us, and still does, as being somewhat paradoxical and odd that when the country gives such breaks to the large corporations and the wealthy, it is considered either a grant or an incentive to save; but when transfers are suggested for the lower income groups, we are criticized for pandering to the welfare bums.

Just yesterday the National Council of Welfare, scarcely a socialistic organization, brought additional conclusive evidence and confirmation of what we in this party have been claiming for a very long time. The council found that Canada's hidden welfare system allows the federal government to transfer billions of dollars to wealthy taxpayers through inequitable income tax deductions and exemptions. Some examples of existing inequities cited in the report are as follows. Someone earning $30,000 per year saves $62 in income tax for contributing $135 to the Canada Pension Plan, while someone earning $9,000 per year and contributing the same amount saves only $37. A woman earning $6,000 per year claims the $1,000 child-care deduction, thus reducing her taxable income for a tax saving of $257, while a woman earning $20,000 applies the same deduction, for a saving of $380. A person earning between $5,000 and $10,000 per year places $1,000 in a registered home ownership savings plan and receives a grant or tax saving of $264.93, while the person earning between $15,000 and $20,000 saves $365.80 under the same plan.

The council, which is a government-financed advisory body for the Department of National Health and Welfare, maintains that average taxpayers, the middle and low income wage earners, are unaware of the mechanics of the Income Tax Act. It is also clear that it is they who bear the greatest burden of the costs I have mentioned, while it is the wealthy who reap the greatest benefits.

● (1540)

I have engaged in this preamble concerning income distribution and the inequalities of the tax system because I wanted the bill which we are debating on second reading to be put in the context of the political and economic realities of some of the major problems which face Canada today. It is unfortunate that the proposed legislation did not take these facts into account. Instead, Bill C-16 had its origin, as I noted before, during the 1974 election campaign. At that time, in an effort to obtain a majority government, the Liberals brought forward legislative proposals—but I note that most of these promises have not been kept after 2½ years. The Liberals have never felt compelled to live up to their rhetorical flourishes on the campaign trail. F. R. Scott's closing couplet dedicated to Mackenzie King continues to apply to them: "Do nothing by halves which can be done by quarters". As Scott suggests, the Liberals do manage to bring forward bits of good legislation, however reluctantly.

One of the positive changes in this legislation, which has been noted by many speakers, includes standardization in respect of banks and financial institutions calculating interest rates on savings accounts. Presently, deposit institutions have a form of windfall profit because of their method of calculating interest. Interest charges will be figured on an annual basis and must be paid on the net principal sum, and will be calculated for savings purposes on the average, rather than the minimum amount in savings. The amount that the borrower will actually get in his pocket will be the basis of calculation, rather than the present system which includes administrative and other costs.

Third, we have the government's belated recognition that there is such a thing as a criminal rate of interest. Presently there are no controls on the amount of interest some moneylenders can squeeze out of their desperate customers. As the minister noted in his speech, the loan shark racket has become, according to police sources, a $3 billion a year business in Canada. I, for one, have great reluctance in accepting that figure. I wish the minister would note, as he finds his way in his new ministry, that Statistics Canada should be pushed to come up with some reliable figures. Dependence upon police force figures in respect of loan-sharking seems to be an incredible, inefficient and questionable procedure. I very much doubt there is a business in illegal loan-sharking in Canada to the amount of $3 billion a year.

Of course, if we include some of the loan-sharking which goes on in the finance companies we could easily come up with a figure of $3 billion. But in speaking of an underworld type of thing, as I believe is implied in the use of that figure, it strikes me that it is ridiculous. On this question, the minister also used statistics that were corrected by the hon. member for Windsor West (Mr. Gray) who mentioned that the minister had said that in the order of $296 million was lent in 1974 under the Small Loans Act with protection under the $1,500 loan level. As the hon. member for Windsor West pointed out, it is really more than $400 million that we are talking about.

In talking about this whole question of loan-sharking, whether legal or otherwise, the minister did not mention the measure of responsibility the government should accept for having allowed this situation to exist for so long. The fourth thing, in general, that is pretty good about this bill is that fixed rate mortgages will be brought into line with the present practice in respect of NHA mortgages. This measure is long overdue. It will allow up to 10 per cent of the outstanding principal to be paid on the first or second anniversary of the loan or on any payment after the third anniversary. All or part of the outstanding principal can be repaid, with the maximum penalty being three months' interest on the amount prepaid.

I thought it was kind of a joke, as I read some of the speeches, to find there were those who were so concerned that the "poor" trust companies and finance companies might lose in these transactions with the poor. The important thing is to help them become more competitive and to allow consumers to use the sovereignty that is supposed to be theirs under a competitive market system. Some members seem to be protesting against this, in favour of giving more protection to the lender instead of more freedom to the borrower, and therefore more competition among those who are lending.

That is what the private enterprise system is supposed to be all about. There must be controls on advertising, so that rates and conditions of credit will be prominent in the ads. There are some people among our party, and probably some among the backbenchers in all parties, who would like to see a total ban on credit advertising, but I think it has to be at least strongly regulated because one can often look in vain for the information aspects which are supposed to be the best part of advertising. So much of it is just waste.

We already know that one of the greatest weaknesses of the capitalist system, whether or not it is a mixed capital system, is the huge waste inherent in the economic institution called advertising, where we have in North America, I think, somewhere close to $30 billion a year now invested in that industry. It is very difficult, even for the most avid defender of that system, to say that most of that really contributes to the common good of the people in our countries. I know it is extremely difficult to regulate the informational component as compared to the other, but we must remember that the criticisms that are being made about the poor and low income people in respect of unemployment insurance, going after too much credit and all these types of things, relate to the values that are being created by the media which depend upon these advertising revenues. They would ask the poor to turn themselves off and close their ears to this sort of thing because it is only geared to those who can afford it.

These are the cultural values and the cultural consequences of the system that is being defended here all the time by many spokesmen from the old-line parties. It is just like the criticisms that are made in respect of the poor blacks in the United States when they want cars or coloured television sets, and so on. Why should they not want these things, when they are being pushed by everything in that society to want them, and when the measure of value of the people in that society is so often the possession of material goods, money, and so on. What an insult to human beings! These represent either the cultural contradictions or the consequences of that system which must be faced. One is being hypercritical when one tries to blame the low income groups for so much that is society's own responsibility for what is really a cultural conditioning process. I do not say it is a deterministic one, but it is a cultural conditioning process which so many people in our society, including those who speak for the defenders of the capitalist system in the two major parties in this House, do not seem to want to recognize or take seriously.

To get back to the bill, Mr. Speaker, there are new disclosure rules in all credit transactions to standardize the formula for presenting such information so that it will be easily comparable. Of course, that is a step in the right direction. Finally, the administrator must enforce the act and advise the public of their rights under the act. In many ways, the success of the act will pivot on the terms of reference given to the administrator and, of course, the actual choice of the administrator. It is essential that an activist person, with legitimate and credible credentials, be chosen for this position. Let us hope that patronage will not play a predominent role in the choice of an administrator by a new minister who is trying to establish some credibility. The work which his department embraces is becoming a more and more important part of people's welfare in our society and it is desperately important that the right people are appointed at the top. This is what the bill proposes, and while I applaud many of the individual initiatives, the general thrust of the bill seems, to me, to leave much to be desired.

● (1550)

The first principle, establishing the fact that there is a criminal or usurious rate, is a breakthrough. Thomas Aquinas wrote about this, and I am glad hon. members on the other side have discovered this theologian who lived in the twelfth century. The Liberals have finally caught up with Aristotle and Aquinas, these men of history. But this principle must be coupled with other measures.

Any sincere effort to protect consumers from loan sharks and their criminal rates of interest must come to terms with the reasons people deal with loan sharks in the first place. Quite simply, financial institutions are unwilling to give some people loans because of the high risk they represent. The government should implement a comprehensive insurance

scheme for small consumer loans along the lines of the Canada student loan plan. When I was campaigning in 1974, I listened to the Liberal platform and sometimes said to myself that what they said was so good that it was too good to be true. In fact, now we find that it was so good that they did not even legislate it. Not only have they done this tremendous flip-flop on wage and price controls, as it is known in the country, but they did not even legislate the good things they were saying.

When they finally got around to legislating it 2½ years later, they neglected to put into legislation one of the principal things they offered to the Canadian people. That insurance idea was a tremendous selling point to the middle income group and low wage earners which, coupled with the promise not to freeze prices and wages, is in my opinion, largely responsible for the fact that the Liberal party is now in government. They promised this insurance scheme, and now they are not even offering it. Why is the government so scared of including an insurance scheme in this legislation along the lines, for example, of the Canada student loan plan? This would have a twofold effect. First, since banks and other financial institutions would be guaranteed payment—and we have nothing against that—interest rates charged to high-risk customers would no longer be justified. In reference to this point, I might add that the vast majority of high-risk loans, as has been repeated in the House several times, are repaid on schedule, thus creating no problem to the lending institutions. You can verify this by asking any credit union manager: he will confirm it. Thus you have the paradox of these institutions getting the highest return on loans to people who can least afford to pay it. Second, if these loans were guaranteed, the poor in many metropolitan areas—and the minister should recognize this better than someone like myself—would not be forced to turn to loan sharks, especially the illegal ones, but could deal with the legitimate lending institutions.

With this loan insurance scheme the criminal rate of interest could be set at a substantially lower rate than now envisaged, because the reason given for high interest rates by the legitimate store-front loan sharks—and they might not like to be called that, but in my experience even some of the respectable finance companies advertising in our media can be so called—is the risks involved. While it is true that there is a largely criminal element involved in loan-sharking, in my experience—and, I think, in the experience of many others—some of these finance companies can be rough on borrowers. Some hon. members seemed to be surprised at some of the things the hon. member for Timiskaming (Mr. Peters) mentioned about a certain individual who was forced to pay back his loan to a well known finance company. Coming from a mining town, I saw such things as furniture being removed from houses because people could not pay back their loans.

Of course, those finance companies have been engaging in a loud public relations campaign in recent years, saying that they have changed their methods and practices. Perhaps they have, but certainly they have left traumatic memories, aversion and resentment in those of us who saw some of their actions. So it seems to me no coincidence when we see in some of the hard-hit, low income areas, such as the one I represent, the only new activity in the commercial centres of the various towns consisting of the opening of more and more finance companies. These companies may not be the sharks or barracudas mentioned by the hon. member for Nickel Belt (Mr. Rodriguez), but they sometimes remind me of vultures circling around a wounded animal, waiting to take advantage of the helpless victim. They advertise low monthly repayment schemes, but always play down the bottom line. The actual interest rate charged by the so-called good corporate citizens—only filling a need in society—often exceeds 24 per cent. It is vital that the government set clearly within this bill the maximum rate of interest that can legally be charged, rather than through regulation later. I was glad to hear my colleague, the hon. member for Broadview (Mr. Gilbert), making the point he did, and I think correctly, to the minister today. As a social democrat—

Mr. Paproski: You are not a social democrat.

Mr. Gilbert: I am a social democrat, a socialist and a New Democrat—certainly not a Liberal or a Conservative.

Mr. Nystrom: Explain what a social democrat is.

Mr. Saltsman: They wouldn't understand, anyway.

Mr. Hogan: It is vital that the government set the maximum rate of interest that can legally be charged clearly within this bill, rather than through regulations later. As a socialist, I would like to see the maximum interest rate allowable set at an extremely low level, but this cannot be done in isolation and, given the existing economic system, it is not possible. However, even given our present mixed capitalist economy, outlawing interest rates above 24 per cent would be feasible. The minister will be surprised at how many of his own backbenchers agree with that.

Now I would like to return to the matter of the role of the administrator in overseeing this legislation. His office has great potential, but his powers would have to be enlarged. As the legislation reads now, the borrower must initiate, through default, any action against the finance company. As the minister knows from experience—we come from different economic backgrounds, but surely he has had enough experience with low income people, or if he has not, surely the people who are advising him or some of his friends can tell him—these people will not take IAC or Household Finance to court. It is a clear misunderstanding of the way lower income people think, and ignorance which shows how scared they are of these institutions. My goodness, I run into people in my constituency who are scared of going inside a bank, let alone a courtroom.

● (1600)

The matter of going to a court was raised by the hon. member for Windsor West (Mr. Gray). The responsibility of taking corporations of large size to court strikes me as dreamy stuff. Most people do not want to be dragged into court by lending institutions, for any reason. In this regard the government is putting the cart before the horse. These people should

be able to appeal to an ombudsman. As the bill now stands, borrowers must renege on their loans and face court action to prove that the interest rates they have been charged are excessive. Does the government believe that people will use this type of mechanism to demonstrate that interest rates are excessive? If the minister thinks so, he is not in contact with the people that I am. I repeat, to most Canadians, being taken to court is a traumatic experience. There is a stigma attached to people who are taken to court. I do not foresee many hard working Canadians defaulting and then facing giant lending companies in courtrooms.

I suggest that borrowers should be able to turn to the office of the administrator—and I see his role as that of an ombudsman, which I would prefer him to be called. I think that is a Swedish term, and the Swedish people have made much more use of ombudsmen than we have. I think that is a good concept. Ombudsmen have a good image; administrators have not. Administrators are considered bureaucrats—and the AIB has not helped that, either. I see the administrator's role as that of an ombudsman who would have both the regional staff and the resolve to look into these matters.

The government has also decided to abolish the ceiling on interest rates on small loans under $1,500. The $1,500 level may be set too low, given the inflation we have been experiencing. This level should be raised to, perhaps, $3,500 or $4,000, but the ceiling on interest should not be removed. The minister should think about that and try to get some more advice on this matter. I just cannot understand some of the thinking of the people who prepared this legislation. The hon. member for Matane (Mr. De Bané) tried to defend this type of thing.

Mr. Abbott: And did it very well.

Mr. Hogan: Nonsense.

Mr. Gilbert: You cannot defend the indefensible.

Mr. Abbott: It is very easy to defend, and he did it well.

Mr. Hogan: If the minister does not like what I am saying, he should read the speech of the hon. member for Windsor West. It may be argued by some that lenders will not make money available for small loans if a ceiling is placed on the interest rate. I am sure that is what the minister is talking about. This may well be true, but it seems to me that it can very easily be corrected by this government ordering lenders to make available a reasonable percentage of their lending capital to small loans. That does not seem to be an awfully difficult demand in order to help low income groups.

The government talks a lot about disclosure of all information relating to the true cost of loans, such as insurance, administration costs, et cetera. This is well and good, but the borrower should have all the information. The lender should have to tell his prospective customer his credit rating and how he arrived at the interest rate charged.

This bill tries to come to grips with the problem of the lack of consumer understanding of the credit system, but it falls short. The government should embark on an extensive adult education program to make Canadians aware of their rights and responsibilities. Credit counselling could be done by setting up offices where they are needed. An important function would be to dissuade people from borrowing for things they cannot afford. That will be hard to do, considering that every day on television we are told to buy, buy, buy—and to buy on credit. People could be counselled to put off buying until they are in better financial shape. This education program could be handled by some non-governmental group such as the Consumers' Association of Canada. In addition, individual credit counselling could be carried out through local offices of the ombudsman and institutions delegated by him to perform this function. The ombudsman would thus oversee the legislation.

One of the things I like is the idea of data bank collection which is mentioned in this bill. I suggest to the minister that that will only give us more details about the use of consumer credit, but besides making this information generally available to business firms it could be an important source of information for government policy-making. Although this is not directly related to the bill, the hon. member for Vaudreuil (Mr. Herbert) issued a caveat about invasion of privacy. I think that is a good point. His notion is very sound and I think the Department of Finance should use the data as a tool of policy in order to make a better diagnosis of consumer intentions.

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

Some hon. Members: Agreed.

Mr. Hogan: Bill C-16 was drawn up with the best intentions, but the substance is not there. I get the feeling that the people in the Department of Consumer and Corporate Affairs are completely out of touch with the people they are trying to help.

In his opening remarks, the minister said that Canadian banks are some of the largest and best run in the world, and that other lending institutions serve effectively and honestly the credit needs of Canadians. He neglected to add that they are also some of the most profitable. But for whom are they best run? Why is there a $1 billion to $3 billion per year loan shark racket? Why does that exist if lending institutions serve the public so well? The truth of the matter is that banks and other lending institutions have failed to provide the type of service Canadians have a right to expect.

In spite of the extravagant "Have you got a dream" advertising campaign of the Bank of Montreal and its assertion that it is there to help Canadians grow, the ultimate thing the Bank of Montreal, or any other bank, is interested in is the bottom line. With this in mind, if the government is serious about helping Canadians with their credit problems, careful and thorough regulation of these giant lending institutions is needed through this act and the upcoming changes in the Bank Act.

In summary, the government must face the fact that until a basic redistribution of income is achieved in Canadian society, all the tinkering of the Minister of Consumer and Corporate Affairs will come to naught. This bill could be a basis for Canadians to get a better deal from moneylenders and credit institutions, but only if the legislation is changed drastically in committee. First, the role of the administrator must be expanded to that of an ombudsman. He, or she,—not the courts—must have the power to rule on excessive interest rates charged to borrowers. That office must vigorously inform Canadians of their rights under this legislation. The rate of interest which would be classified as criminal must be set at a realistic level, somewhere between 24 per cent and 33 per cent per annum. The illegal loan sharks can be completely put out of business by proper licensing procedures. In committee, I hope the government will see the error of its ways and keep the ceiling for small loans.

● (1610)

[*Translation*]

Mr. Claude Lajoie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I would first like to thank and congratulate all those who took part in the debate on Bill C-16, especially my colleagues on this side of the House. I offer my sincere congratulations to the Minister of Consumer and Corporate Affairs (Mr. Abbott) who had the courage to introduce this very sensible bill.

This bill is of great importance for Canadians, especially the less fortunate who are often victims of unscrupulous money lenders who are usually called loan sharks or underworld bosses. In my humble opinion, this is one of the most popular bills to be introduced; it had been expected and prepared for two years, and my colleague the Hon. André Ouellet, worked very hard on it when he was Minister of Consumer and Corporate Affairs. I would like to pay him tribute for the great work he did concerning this bill.

The Liberal party accepts members who do not necessarily share our opinions. The hon. member for Windsor West (Mr. Gray) proved this in his speech when he criticized and approved in principle the bill now before the House.

Mr. Speaker, I shall be brief. I shall make only a few comments so as not to delay passage of this bill. Therefore, if I may, I shall speak in general terms.

[*English*]

Mr. Speaker, I am full of enthusiasm about Bill C-16 now being debated in the House. The bill is, I believe, right and ripe, it having been introduced at the proper time when Canadians across the land have been asking for such protection. It is a bill with teeth, a bill with which everybody agrees in principle.

[*Translation*]

Why this bill? The federal government has the firm intention of protecting the Canadian consumer. Consumer credit has more than doubled since 1967 and has now reached over $24 billion, not including mortgages. Let me explain: The bill also grants important rights to real estate owners who want to reduce their interests by prepaying their mortgages. Essentially, this is an improvement over traditional mortgage loans offered under the National Housing Act.

Other provisions will help consumers who take out a variable rate mortgage. The present legislation is outdated. The Small Loans Act was amended for the last time in 1956. This bill will rectify the situation. The complaints we are receiving show that, from a consumer's viewpoint, credit problems are among the most important. The government wants to make the rules of the game consistent and to simplify them as much as possible. The increase in loan shark activities calls for strong government action. Loan sharking has become organized crime's second main industry. According to police estimations, that racket is now getting over $3 billion in Canada.

What does the legislation in the way of protecting consumers? The bill will clarify credit rules by establishing uniform methods of computing interest, by forcing lenders to clearly disclose the terms of a loan, and by regulating credit advertising in every form. The bill will give increased protection to the borrowing consumer, by giving him more legal remedies, by allowing him to repay his debt at any time without penalty, except in the case of mortgages where penalties will be significantly reduced, by putting the burden on the lender to prove his case if things come to an end, and by limiting lender recourses for debt collection.

Any Canadian who has to risk his credit is entitled to a minimum of protection, just as the millions of people who try to lay their savings to advantage. This legislation will therefore provide and effective tool to fight loan sharking and establish a criminal rate beyond which any lender will face severe penalties ranging from $1,000 to $10,000 fines or up to years imprisonment, or both. The consumer will therefore get his money's worth. It is the federal government's duty to control unfair interest practices. We are determine to rid Canada of all loan sharking activities. There will be a legislation to help the consumer get a loan at a reasonable rate. Police forces will have legal means at their disposal to fight that terrible disease. Also, the onus of proof will rest with loan sharks and illegal lenders. Every lender will be forced to disclose the terms and conditions of the contract. Loans sharks who cash ahead of time family allowances cheques, social insurance or income tax cheques are profiteers who charge interest rates from 400 per cent to 1500 per cent to those poor victims. For loan sharks, it is the second biggest source of income. The first one being prostitution and the third, drug trafficking. This bill is aimed at eliminating intimidation and black mail.

This bill is not only concerned with lending transactions entered by trust or banking institutions. This government is also interested in the activities of every dealer, those who sell goods and services on credit, ranging from national or multinational enterprises to local car, clothes or furniture dealers.

The reign of the loan sharks is coming to an end. With the cooperation of the opposition parties we hope to see this bill through in the shortest time possible and we are ready to

accept constructive suggestions. I have no doubt that the opposition will not demonstrate a mean and partisan attitude.

[*English*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, at the beginning of my few remarks on Bill C-16 I should like to extend to the hon. member opposite my best wishes for success and a long life.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: A long life, anyway.

● (1620)

[*Translation*]

Mr. Allard: Mr. Speaker, there is no doubt that Bill C-16 that we are presently studying is extremely necessary for a very important number of Canadians who borrow or deposit money in the banks.

I agree with the minister when he says that the chartered banks are considered as the most important and better organized banks in the world and that, furthermore, some other credit institutions efficiently cater to the financial needs of all Canadians. But what I want to know is this: What is the rate of interest, what will be the costs to the borrower? It is quite clear that, pursuant to the British North America Act, the federal government has jurisdiction when it comes to interest rates and that any transaction made with an interest falls within the purview of the central government because when looking at the British North America Act, and especially at subsections (2), (3), (14), (15), (19) of clause 91, one can notice that the central government has all powers when it comes to trade and commerce, the raising of money by any mode or system of taxation, banks and the issue of paper money and, what we are particularly interested in, interest rates.

When he introduced the bill, the Minister of Consumer and Corporate Affairs declared, I quote:

> The Interest Act was last amended in 1917. The Small Loans Act has not been amended for 20 years. In the last 30 years alone, total consumer debt—not including mortgage debt—has increased from less than $1 billion to more than $23 billion. More than 65 per cent of that increase has occurred since 1967. Today, excluding mortgages, consumer debt represents more than 22 per cent of our total disposable personal income. In the period from 1947 until 1975, non-mortgage debt has increased fully three times as quickly as income.

Mr. Speaker, when I read such figures, I cannot help thinking of unwarranted interest rates which are, in my opinion, the major cause of inflation in Canada and also of the prodigious escalation of Canadian consumer indebtedness as a whole. To correct this situation, the government has decided to introduce a very timely piece of legislation which, in its view, will help relieve market conditions and stimulate competition in such an important sector as consumer credit. I respectfully suggest, even though I support the bill, that if this government wishes to help the consumer, it should take the necessary steps to reduce interest rates and cut off incentives to loan sharks.

Mr. Speaker, consumers are going into debt to maintain, if not to increase, their standard of living and often to get out of financial straits. To appreciate this, one only has to take a quick look at the last figures available, that is for June 30, 1976.

Canadian indebtedness represented the impressive amount of $20,263 million, an increase of 17.3 per cent over a year ago.

Curiously, one could read in the daily *Le Soleil* of September 24 last, and I quote:

> It should be noted that chartered banks are the greatest credit dispensers with two thirds of the total. Personal loans as of July 30 last stood at $14,841 million, 23.7 per cent more than a year ago.
>
> On the other hand, personal cash loans made by lending and finance companies represent a small percentage of the overall credit; they are even down slightly for the period under review. According to official statistics those loans stood at $1,773 million a year earlier.
>
> As to credit extended by those same institutions to finance consumer purchases it accounted for a slightly higher volume at the same date, $1,143 million compared with $1,138 million a year ago.

That is not all, Mr. Speaker. Canadians are borrowing more than ever on life insurance policies. Up to the month of August 1976 loans on life insurance policies stood at $1,202 million, an increase of 6.8 per cent, and outstanding credit at $1,186 million exceeds by even $100 million the credit obtained in department stores. I sincerely think that the rise in interest levels that we witnessed in recent years and even today is simply due for a large part, of course, to our institutional structures because there is no doubt that our financial institutions exercise and have exercised considerable influence on rising interest rates.

In January 1924 at the general shareholders meeting of the Midland Bank of London, Mr. Reginald McKenna, president of that bank and also former British Chancellor of Exchequer, had this to say:

> I am afraid the average citizen would not like to be told that banks can—

Note what he is saying.

> —and that is what they do—create and destroy money (credit). The amount of money in existence varies only through the action of banks increasing or reducing their deposits or banking purchases. Any loan, overdraft or purchase by the bank creates a deposit; and any reimbursement of a loan, an overdraft or a sale destroys a deposit.

So this can be summed up this way, Mr. Speaker:

Every bank loan creates a deposit and every repayment of a bank loan destroys it. In addition, it is a well known fact that through the leverage given to them by Canadian legislation, the chartered banks manage to lend, while maintaining a low statutory margin, up to 16 times the amount of this margin, thus creating a new purchasing power. The same banks have acquired those privileges of creating credit out of nothing and of charging a penalty under the form of interest to the borrower, simply because they have every power to create the money required to achieve their aims.

Obviously, this enables us to compare such procedures with the honest behaviour of a citizen who buys government savings bonds available to chartered banks. It simply happens that the poor fellow who has worked hard to save a few pennies invests his few savings, while the banks secure a powerful financial control over the government thanks to the money created

through a manipulation of the banking system. Besides, among all sectors of society, the banks are the only ones which create their means of payment out of nothing. Therefore, it is fair to say that the methods used by the banks to get hold of our country and of the Canadian people are nothing but sheer fraud.

Mr. Speaker, I really think that high interest rates are inflationary since they result in higher costs for those who are able to obtain funds and follow the average increase in the cost of living index. In other words, interest rates adjust to inflation and, as a result, interest rates go up along with other costs, just as labour unions claim that wage increases do not preceed rising prices but rather simply proceed from them. As far as I am concerned, I think labour unions are justified in demanding wage increases in view of the ever rising cost of living.

So, I tend to believe that higher interest rates produce exactly the same effects. Frankly, it is easy to admit that everyone is in debt, that all governments, provincial, municipal and federal are hopelessly in debt, and that those debts, because of the millions of dollars paid in interest every year, can only add to inflationary pressures. As we know, that interest is paid by the taxpayers through their taxes. Taxpayers do not print money and so they have to ask for higher incomes and ever increasing salaries to meet cost requirements. All those taxes are finally included in prices because that is the only way producers can recoup higher costs.

The consumer, in an attempt to make up the taxes deducted from his paycheque, through pay deductions, and just like the producers, demand ever higher salaries and wages. One can therefore readily conclude that higher taxes, because of the interest governments at all levels have to pay, are reflected in consumer prices and, as a result, add to the growth of inflation.

Mr. Speaker, the statistics quoted previously prove that all Canadian taxpayers suffer from inflation, that worldwide plague, and increasingly higher interest rates. Add to this, of course, our governments. In this regard, former Bank of Canada governor Louis Rasminsky, in a brief presented on July 3, 1969 to the Standing Committee on Finance, Trade and Economic Affairs, said, as reported on page 2749 of Issue 55 of its *Minutes and Proceedings,* and I quote:

● (1630)

One of the casualties of a prolonged period of inflation is the market for long-term debt obligations. This is because investors become increasingly reluctant to commit their funds in such a form even at progressively higher interest rate levels. Private corporations who wish to raise long-term funds can try to combat this trend by offering equity participation, often in the form of convertible debentures, but this option is not open to governments—federal, provincial or municipal—or to home buyers or to publicly-owned utilities who must rely on debt financing to cover their borrowing requirements. It is social capital formation rather than private capital formation which must bear the brunt of the harm done to the long-term capital market by inflation.

Mr. Speaker, before closing this brief statement, I would like to draw your attention to the subject of credit cards.

Protection of Borrowers and Depositors

In the *Journal de Montréal* of November 3, 1976, there is on page 10 an article entitled as follows: "Explosive Danger". Here is what is says:

What would you say if an individual stole your pay every month and asserted in all seriousness that he was doing you a service? You would simply say: He is nothing but a thief. But it is true. Hundreds of thousands of Quebecers are so treated each month and they applaud. You know as well as I do no one is as shrewd as a banker to pocket his neighbour's money. But one day, one of those money men—I don't know who, unfortunately—had a strike of genius, the credit card. I give them a credit card that allows me to lend them money at a higher rate still and I bet ten to one that they will all applaud.

And our poor man was right. Who does not go around without his little plastic card? This genius of a banker had just sparked a revolution in the world of credit and consumer behaviour. In the imaginary museum of the consumer, this inventor should be put on a throne in the best room. The dream was limitless, except for the nightmare. Here is what does happen. You are idly walking around the stores with your little card in your pocket, and with no particular purpose in mind. All of a sudden, without any warning, you are overwhelmed with a tremendous desire for possession while standing in front of something which is useless more often than not, and lo and behold, you buy saying to yourself that you will arrange to have the payments made over 12 or 24 months.

You have just borrowed from the bank which issued your credit card, at a 18 percent interest rate. This is why bankers are terribly pleased when you refer to credit cards. If you have something important or essential to purchase and you do not have the cash for it, why not go to your credit union or your bank where interest rates fluctuate around 14 percent. This way, you are not using your credit card and you will be saving at least 4 percent interest.

Mr. Speaker, this is the plain truth, is it not? Bank credit is simply created by a mere stroke of the pen under a legislative authorization. At any rate, one may conclude that the government instead of being a servant of the people is forced to become their oppressor because of the pressure from financial institution. Admittedly, this kind of situation may tend to have serious consequences on the stability of our economy.

The government has just now realized that Canadians are relying on him to draw the abscess which has been actually undermining the economic health of our society for so long; whether you like it or not, the active forces in our society are increasingly becoming mere robots for the consumer public. As a matter of fact, beyond the limits set by a legislation which is no longer adequately protecting and defending the consumer and which is finally becoming obsolete there are open fields of activity in want of development.

Mr. Speaker, the same goes when it comes to buying, selling or financing new and second hand cars because, if my information is correct, there is hardly any control over this production and consumption sector which is spreading in the international market. Just think about pressure selling best exemplified by hawking which results in misrepresentations and breaches of trust, and God knows what else. One only needs to go to large stores to realize how easily credit is obtained through budget plans and credit cards. From all this one may conclude that publicity leads the dance and Satan calls the tune.

In my opinion, it is high time the government denounced the inadequacy and obsolescence of the legislation which is completely outdated because of the well-organized invasion of mass production which subjects the consumer to the law of the jungle. The government should promote the drafting of a fair, just and clear legislation based on the needs of today's consumers. I also believe it is high time the government saw to it

to establish some protection and defence organizations for those consumers who are unfortunate enough to become the victims of loan sharking and exploitation. And what is more comical about the whole matter is that all this is sometimes legalized and consumption is encouraged through the creation of needs by artificial means most of the time. Moreover, a solution might be for the government to try and establish popular schools in order to convey to consumers of all ages, both indidually and collectively, some basic information as a first means of defence, thus giving the legislation a role of rehabilitation and prevention.

[*English*]

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I want to direct a few remarks to this bill primarily because I did not have the opportunity earlier to congratulate the new minister upon his appointment. I feel a certain kinship with the minister because of the fact that we were both elected in 1974, and because at some time in the past we each sat in the official gallery of the House as executive assistants. I understand some of the exasperation the hon. gentleman may feel, coming into parliament and trying to put into action some of the advice he has been giving over past years.

I wish to draw attention to a few points of interest to me with respect to this legislation. The bill before us has been promised for a considerable period of time, and I compliment the government for finally having brought forward the new piece of legislation designed to give borrowers some protection against excessive charges and interest rates. I have personally been interested for some time in updating federal law in this area, and on earlier occasions since I was elected I have urged the government to take action in this regard.

It is worth-while noting that the bill before us repeals the interest Act, an insignificant piece of legislation in some respect. I recall, shortly after I graduated from law school, my principal in the law office in which I articled talking to me about conveyancing and mortgages and calling to my attention one of the law's provisions which, I imagine, is very little known. Nevertheless, it is a provision which a lot of people who have mortgages on their homes might like to consider because the effect of it is that unless the mortgage states that the computation of interest is to be made either yearly or half-yearly, and not in advance, then the interest requirement is not enforceable.

I have never heard of anyone bringing an action to seek a declaration that interest payable under a mortgage loan might not be payable because the particular provision of the Interest Act to which I have referred was not complied with, but I wonder whether the minister has it in mind that, on the basis of the precedent established in the Interest Act, interest might not be payable should there be a breach of the legislation he is proposing.

Those who read *Hansard* might have an opportunity of reading their own mortgage documents and ascertaining whether the wording referred to in the Interest Act is actually contained in such documents. They may then look at the Interest Act and get in touch with their legal counsel with regard to the obligation to pay interest under their respective mortgages. That advice is my little service today to the individual who has a mortgage against his property—and it is something that very few people are aware of.

● (1640)

There are also some other aspects that might be considered in this kind of legislation. I do not know whether the minister would be receptive to specific suggestions for amendments, but one amendment I have in mind might be more drastic than he is contemplating. Coming from Saskatchewan, I can say that the history of the province is such that with it's boom and bust cycle after the great depression, there has been legislation passed which, in effect, puts limitations on remedies available to mortgagees and persons who lend money on the security of real or personal property, which leads me to think out loud, so to speak, that there is room for a similar kind of provision in legislation such as that presented to the House today.

Specifically, I am referring to the kind of provision existing in many provincial jurisdictions in regard to residences or homes, where there is a limitation placed on the remedy available to persons lending money on the security of a mortgage. In many provincial jurisdictions a person lending money on such security is limited to realizing the security itself. In other words, if I were selling a house for $50,000 and received a downpayment of $5,000, and the balance of $45,000 was in the form of a mortgage against the house, in the event of default, in many provinces a limitation is placed on the lender in that he can only realize on the security to the extent of the amount realized on the sale of the house under foreclosure proceedings, whether the sale realized the balance owing of $45,000 or not.

Since the federal government is deeply and heavily committed in the mortgage loan field, it seems not an unreasonable proposition, to me at least, that we consider the following. Wherever a mortgage is used as the basis of security on a home, we might give consideration to limiting the remedy of institutions under federal jurisdiction to the extent of their security under the mortgage as opposed to a right that involves a dual remedy that the mortgagor has to have a judicial sale and then to sue the borrower for any deficiency in amount after the house is sold and the proceeds applied to the balance of the mortgage.

If this legislation is to be regarded as social legislation, we should also consider federal responsibility in the house building and home ownership field. It seems to me that that principle might apply not only to the home itself but to the furnishings. Here, again, there could be a limitation on the remedy of a person who lends money on the security of, say a refrigerator, stove or furniture. Such remedy would be restricted to repossession and realization of that security.

I think there is a good deal to be said in support of the proposition that, aside from the interest rate provision and the attempt to limit the interest charges, consideration should also be given, in the case of institutions under federal jurisdiction, to some sort of limitation of the right of the lender and his

remedy vis-à-vis the home owner, the person buying a home. I think there would be great support for such provisions, not only because the government would then demonstrate its interest in the encouragement of home ownership, but also it would give many home owners some protection. I think the minister would agree it would include many young people, such as newly married people who need some sort of protection during the first years of life. I commend some of these ideas to the minister with a view to seeing whether or not the government is interested in extending the protection afforded borrowers and consumers in the two areas I have mentioned.

I also think the federal government is to be commended on coming forward with this legislation even at this late date. Quite frankly, I think the federal government has lagged behind many provinces in this field. Perhaps this is understandable, in view of the fact that the provinces have jurisdiction over property and civil rights and are more directly concerned with this kind of legislation. However, it seems to me that the federal government is now becoming greatly involved in the area of consumer borrowing. In addition, NHA has assumed dimensions of great importance in this country, and CMHC has grown from very modest proportions as originally introduced by the Liberal government in the fifties. Under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker) when prime minister, the National Housing Act came into its own and a substantial amount of money was made available for home building, which was given real impetus by the government of that day.

I said I would not take too much time, Mr. Speaker, but I do want to commend the government for bringing in legislation to deal with the growing and rather questionable businesses involved in making advances on income tax refunds and welfare cheques. I have written to the minister's predecessors in office regarding constituency complaints about this sort of thing which, quite frankly, feeds on the poor and on people not able to protect themselves. I would be the first to commend the minister on bringing forth this kind of provision and seeing that it is carried out. I do not want to be too negative or critical in my remarks on the bill, and this is one area in which I congratulate the minister and regarding which he will have my full support. This is an insidious practice that goes on in our larger cities, though in many medium-sized cities as well.

One other aspect of the bill on which I want to ask the minister a question, and on which he can possibly elaborate during the course of committee debate, has to do with the absence in the bill of any provision giving consumers access to their credit rating file and their concurrent right to correct any errors on it. We never really know what collection agencies or credit agencies are saying about us. As a friend of mine once said of me—almost anything you could say about me is probably true and I would not have any recourse. On the other hand I am sure my colleagues in this House, most of them being honourable gentlemen, share my concern that information picked up by collection agencies or credit agencies might have very serious consequences in respect of one's ability to obtain necessary financing. That seems to be a not unreasonable proposition and in accordance with at least the apparent undertaking for openness in government mentioned in the Speech from the Throne.

• (1650)

Mr. Baker (Grenville-Carleton): Do not dignify it by the word "undertaking".

Mr. Hnatyshyn: My colleague, the hon. member for Grenville-Carleton (Mr. Baker) questions if it is an undertaking. We are a little apprehensive about the undertakings of this government, Mr. Speaker, but they did mention that they are changing their course and in future will be more open with the Canadian public. I agree with that. If they carry out this undertaking, they will receive their just reward.

In this legislation there is room for provision that any consumer who wishes would have the right to obtain copies of information on file with respect to him, and would have the concurrent right to correct any errors therein. The other aspect of the bill which concerns me is the prohibition on unwarranted interest rates. The bill does not specify any ceiling for interest rates. That will, presumably, be left to the discretion of the minister. This opens up another question that concerns me, because in my observation this government has a propensity for introducing legislation inevitably containing a provision that regulations can be brought forward by order in council to give effect to the act. I hope the minister will not succumb to this tendency to govern by regulation.

I have noticed in my time in this House that some of the most important legislation to be presented has come in the form of bills with perhaps 10, 20 or 30 clauses, the main one providing that the governor in council may make regulations to give effect to the legislation. An example is the Anti-Inflation Act. The only provision of any consequence in the bill gave the cabinet power to move by regulation as opposed to having the details of the governing law outlined in the statute. I abhor this tendency, Mr. Speaker and I am sorry to see that a similar provision exists in the legislation before us. It is appalling how often the government attempts to move by regulation rather than by legislation which is open to the scrutiny of parliament and the public. This should not continue, and it will not after 1978 when I am sure this party will form the government.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The propensity of this government to operate almost exclusively by regulation and arbitrary measures is unfortunate, to say the least. Clause 31 of the bill gives power to the minister to make regulations for carrying out the purposes and provisions of this act as he deems appropriate. I think the people of Canada are interested in giving parliament a more important role and meaning as far as law-making is concerned.

An hon. Member: I thought you said only five minutes.

Mr. Hnatyshyn: Mr. Speaker, when the hon. member for Regina-Lake Centre (Mr. Benjamin) has to catch a plane, I

always want to accommodate him. I did not want to take very much time in this debate, and I have spoken briefly on some very important matters relating to this bill. I shall say nothing more at this time and will let the matter go back to the minister.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. Before I recognize the Minister of Consumer and Corporate Affairs (Mr. Abbott) it is my duty to inform hon. members that if I do recognize the minister, he will close the debate.

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, I thank you and I thank hon. members for their very constructive interventions. Had time permitted, I should have liked to have answered some of the points that hon. members made in detail, but I know all hon. members are anxious to see this bill approved in principle so that it can move to committee.

Some hon. Members: Question.

An hon. Member: Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order, please. It is my duty, pursuant to Standing Order 43, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Statutory holidays—Possibility of legislation establishing Heritage Day; the hon. member for Victoria (Mr. McKinnon)—National defence—Failure to reinstate William Biggs—Request for inquiry; the hon. member for Egmont (Mr. MacDonald)—Regional economic expansion—Reason for failure to make changes to incentives act.

GOVERNMENT ORDERS

[*English*]

BORROWERS AND DEPOSITORS PROTECTION ACT

MEASURE TO REGULATE INTEREST ON JUDGMENT DEBTS AND AMEND CERTAIN STATUTES

The House resumed consideration of the motion of Mr. Abbott that Bill C-16, to provide for the protection of borrowers and depositors, to regulate interest on judgment debts, to repeal the Interest Act, the Pawnbrokers Act and the Small Loans Act and to amend certain other statutes in consequence thereof, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the motion, which was agreed to on the following division:

● (1700)

(Division No. 6)

YEAS

Messrs.

Abbott
Alexander
Allard
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Baker
(Gander-Twillingate)
Baker
(Grenville-Carleton)
Balfour
Basford
Beatty
Beaudoin
Béchard
Bégin (Miss)
Blais
Blaker
Brisco
Buchanan
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Chrétien
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Clermont
Collenette
Corbin
Côté
Crosbie
Crouse
Cullen
Cyr
Danson
Darling
Daudlin
Demers
Dinsdale
Dionne
(Kamouraska)
Douglas
(Bruce-Grey)
Duclos
Dupras
Ellis
Elzinga
Epp
Ethier
Fairweather
Faulkner
Flynn
Fortin
Foster
Fox
Francis
Fraser
Friesen
Gauthier
(Roberval)
Gendron
Gillespie
Gillies
Goodale
Goyer
Grafftey
Gray
Guay
(St. Boniface)
Guilbault
Haidasz
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Harquail
Herbert
Hnatyshyn
Holmes
Holt (Mrs.)
Hopkins
Horner
Howie
Huntington
Isabelle
Kaplan
Knowles
(Norfolk-Haldimand)
Korchinski
Lajoie
Lalonde
Lambert
(Bellechasse)
Lambert
(Edmonton West)

Messrs.

Landers	Martin	Ritchie
Lang	Masniuk	Roberts
Langlois	Mazankowski	Robinson
Laniel	McCain	Rompkey
La Salle	McCleave	Rondeau
Lavoie	McGrath	Rooney
Lawrence	McIsaac	Roy (Timmins)
Leblanc (Laurier)	McKenzie	Roy (Laval)
LeBlanc (Westmorland-Kent)	McKinnon	Sauvé (Mrs.)
Lee	McRae	Schellenberger
Lefebvre	Milne	Schumacher
Lessard	Muir	Sharp
Loiselle (Chambly)	Munro (Esquimalt-Saanich)	Smith (Churchill)
Loiselle (Saint-Henri)	Munro (Hamilton East)	Smith (Saint-Jean)
Lumley	Nielsen	Stanbury
MacDonald (Cardigan)	Oberle	Stevens
MacDonald (Egmont)	Olivier	Stewart (Marquette)
Macdonald (Rosedale)	Paproski	Stollery
MacEachen	Parent	Tessier
MacFarlane	Patterson	Towers
MacGuigan	Pearsall	Trudel
Macquarrie	Pelletier	Turner
Malone	Penner	Watson
Marceau	Pigott (Mrs.)	Whelan
Marshall	Portelance	Woolliams
	Poulin	Yanakis
	Railton	Young—169
	Raines	
	Reid	
	Reynolds	

NAYS

Messrs.

Brewin	Gilbert	Leggatt
Broadbent	Hogan	Nystrom
Douglas (Nanaimo-Cowichan-The Islands)	Knowles (Winnipeg North Centre)	Peters
		Saltsman
		Symes—11

● (1740)

Mr. Speaker: I therefore declare the motion carried.

Bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper—

Some hon. Members: Six o'clock.

Mr. Speaker: There seems to be some disposition to dispense with private members' hour and call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 5:45 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Currency and Exchange Act

CURRENCY AND EXCHANGE ACT

MEASURE TO AMEND CERTAIN PROVISIONS OF THE ACT AND OTHER ACTS IN CONSEQUENCE THEREOF

Hon. Donald S. Macdonald (Minister of Finance) moved that Bill C-5, to amend the Currency and Exchange Act and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Robert Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill should be viewed as an accompanying bill to Bill C-18 which is "an act to ratify the Bretton Woods Agreements." Taking the two together there is, of course, a great deal to say about them. The Currency and Exchange Act, which is before us now, has the simpler background. I can tell the House that the minister will be piloting the Bretton Woods Agreements measure, Bill C-18, and will have considerably more to say about it.

The main purpose of Bill C-5 is to make Canadian legislation with respect to currencies and official international reserves consonant with the amended articles of agreement of the International Monetary Fund. At the same time we are taking advantage of the occasion to introduce a few other amendments of a technical nature.

The amendments before us will give legal sanction to the use of the special drawing right and similar composite units of account in Canadian contracts. It will also give authority to the governor in council to specify how values expressed in SDRs, gold, or foreign currencies are to be calculated in terms of Canadian dollars. This latter provision is intended to remove any legal ambiguity which might arise as a result of the changing role of gold and SDRs as units of account.

We are also proposing that the assets of the Exchange Fund Account, which are denominated in SDRs and foreign currencies, should be valued at current exchange rates so that their value in Canadian dollar terms is accurately reflected in the public accounts. At the same time, given the possibility of large but reversible movements in exchange rates, we do not wish to see large, offsetting charges and credits being made to the Consolidated Revenue Fund in consecutive years. Accordingly the amendments provide for a three year averaging period for these valuation changes.

The list of assets eligible for investment by the EFA is being expanded to include government securities in freely usable currencies with a maturity of not more than two years. The EFA would also be empowered to lend its gold holdings.

Finally, at the request of the Auditor General's office, the requirements for the Auditor General's report are being changed slightly to bring them into line with those contained in other legislation.

In sum these amendments are largely technical in nature and are designed primarily to reflect in Canadian law and practice the changes that are taking place in the international monetary system.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I hope the Minister of Finance (Mr. Macdonald), who I see is in the Chamber, will join in this debate before the evening ends. I am surprised he did not speak first himself instead of leaving that task to his parliamentary secretary.

I note that in the statement which the parliamentary secretary read the bill was described as a companion piece to the Bretton Woods Agreements bill which will be coming before us later. He said, further, that while there are certain matters of consequence in it, the bill contains a lot of technical features. Mr. Speaker, it is all very well for a parliamentary secretary to come in and read a page and say, in effect "Don't worry, let's get this passed", but I believe that all members, before deciding how they wish to vote, should get these proposals into perspective.

We are dealing here with billions of dollars and I suggest, Mr. Speaker, that if they read some of the technical features of the bill every member of the House would be alarmed by what the Minister of Finance is proposing. I shall be dealing with this aspect more fully later, but I would draw the attention of the House in particular to Clause 5. The parliamentary secretary did not even refer to Clause 5, though that clause contemplates taking away from parliament its right to have the Auditor General report directly to the House concerning transactions involving the exchange fund and covered by the act we are being asked to amend. One of the most fundamental rights this parliament has is to preserve the independent position of the Auditor General so he can report as he sees fit to this House.

● (2010)

I should like to take the House through the sequence of events leading up to the point where we are now being asked, in effect, to cut off one more right parliament has to scrutinize the spending and general financial activities of the government. I feel it is time the members of the House stood up and said that they have had enough of the government's tendency to whittle away the few remaining rights that parliament has over the government of the day.

Let me put it in perspective, Mr. Speaker. Perhaps there is no more volatile question in the world today than that of exchange. There is no more volatile financial or economic factor than the changing of world current account balances. For example, let me refer to the *Bank of Canada Review* which gives the highlights of the OECD's economic outlook in its monthly publication for August of this year. On page 13 of that *Review*, in table III, you will see the magnitude of current account balances or imbalances at the present time. These figures are truly staggering.

The total OECD deficits in 1976 are going to be $20 billion. I emphasize that 25 per cent of those current account balance deficits are in this country alone. We have the largest single deficit of any OECD nation listed in the *Review* to which I have referred. In total OECD anticipates a $20 billion deficit for 1976, and of that amount $5 billion is for Canada alone. The United States deficit is $3.5 billion, Japan has a surplus,

[Mr. Kaplan.]

France has a deficit of $2.75 billion, Germany has a surplus, Italy has a $2 billion deficit, and the United Kingdom has a $2.5 billion deficit.

Just on that point, Mr. Speaker, how often are we quick to laugh almost at Great Britain's dilemma? But let us not forget that in the current year we are running a current account balance deficit twice the amount estimated by the OECD report. Let us not assume that this is some type of temporary situation. The fact is that the deficit to which I have referred is likely to continue. The *Review* shows that, based on an annual report, in the first quarter of 1977 the deficit for OECD countries will have risen to $23 billion.

What I am trying to show, Mr. Speaker, is that we are dealing with huge deficit figures in the world today in terms of current account balances. The OPEC countries, the petroleum exporting countries, have a huge surplus of $51 billion contemplated in 1976, and the non-oil producing countries have a deficit of $21 billion. Other countries have a deficit of $13 billion. The world total deficit will be $3 billion. In short, Mr. Speaker, we have a situation where two industrialized nations, Japan and Germany, are in surplus, the largest surplus is among the OPEC nations, and huge deficits are being piled up by all other nations. That is the framework within which we should consider this bill tonight.

Where does Canada fit into all of this? The fact is that Canada will be called upon, indeed, has been called upon, to share in the bailing out of some countries that have run up big deficits. As we know, Great Britain is in a rather serious predicament. The pound has fallen dramatically and Britain has asked the International Monetary Fund to bail her out immediately with a loan of $3.9 billion. After she receives this money, assuming it is granted, it is contemplated that they will ask world nations for a further bail out of $10 billion.

Rather than the Minister of Finance trying to slip this bill through the House tonight, I suggest that he owes the House a full explanation of what is the government's position in relation to bailing out such nations as Great Britain, Italy, or whoever it is who is looking for credit. Once again I point out, as we did earlier today, that the Minister of Finance went to Manila and entered into some private discussions with World Bank and International Monetary Fund officials, but has never come back to the House and made a statement on what he suggested, or negotiated, or given us any type of briefing on what transpired at Manila, and this in spite of the fact that tremendous amounts of money will be required to bail out various countries with currency problems.

Surely this House is entitled to know what the minister is commiting us to at some of these conferences at which he likes to turn up and puff around like a world figure. I have a copy of the speech that the minister made in Manila so let hon. members not simply take my word as to the size of the problem. In his speech the minister said:

> —the liquidity of the Fund has dropped to a low level. I must say frankly that I am concerned about the financing of the Fund programs. There may well be difficulties for the Fund in meeting its commitments if more countries do not, as a matter of urgency, make their currencies freely usable for Fund transactions.

The entry into force of new quotas, the economic recovery and the provisions of the amended Articles will all have a beneficial impact on the liquidity of the Fund. But this will take time and will not solve the problem we are facing right now. I would consequently hope that member countries would make appropriate arrangements with the Fund for the free use of their currencies as soon as possible.

Earlier in his address the minister said this:

In the session of the Canadian Parliament which will commence as I return to Ottawa, I intend to introduce the necessary legislation to adopt the amended Articles.

That is, of the International Monetary Fund. In Manila the minister mentioned he was going to introduce legislation, and we have one of the bills before us tonight. Yet we are not even given the courtesy of having the minister stand up and explain, in introducing the first piece of this legislation, what it is he has in mind and what exactly were the commitments that he made on behalf of Canada when he was in Manila. In my view, Mr. Speaker, that is not what this parliament deserves from the Minister of Finance. If commitments are going to be made to help other nations, either through the International Monetary Fund or directly, then we should learn from the government exactly what conditions are going to be attached to such bail outs.

For example, are we going to continue, through the awarding of credit, to bail out, say, Great Britain without saying that we will help them financially only if they agree to pull in their belts and act more responsibly so far as spending is concerned?

Mr. Kaplan: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Turner): Order. The Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) is rising on a point of order.

Mr. Kaplan: Mr. Speaker, I think the hon. member knows perfectly well that if the minister were to stand up and make that kind of statement, he would be out of order because that issue has nothing to do with these amendments to the Currency and Exchange Act. If the minister would be out of order, the hon. member opposite is also out of order. He should stick to the bill and to the amendments.

● (2020)

Mr. Stevens: Mr. Speaker, I can hardly believe it, but presumably the parliamentary secretary has not even read this bill. He does not seem to realize that we are dealing with the exchange fund. One of the principal assets of the exchange fund is its investment in the International Monetary Fund which in turn is being called upon to make certain credit advances to various nations of the world, including Great Britain.

Mr. Macdonald (Rosedale): You have the wrong bill; the right speech but the wrong bill.

Mr. Stevens: If it is not relevant to review the impact of the exchange provisions that I refer to, that is a very strange thing indeed.

Mr. Baker (Grenville-Carleton): It is the parliamentary secretary; if he read it he did not understand it.

The Acting Speaker (Mr. Turner): Order, please. The hon. member has the floor for the purpose of making a speech.

Mr. Stevens: Mr. Speaker, to sum up, I simply feel that when the Minister of Finance is dealing with these interrelated subjects—and the two bills are interrelated, the one dealing with Bretton Woods, and this one—it is time he explained to the public and to this House the exact commitment he is entering into in some of these international forums. More and more we are being committed to bail out other countries. The time is fast approaching when we have to say to nations such as Great Britain that no further credit is available until they put their own house in order. Unfortunately under the labour government presently in power in Great Britain I do not believe that country intends to tighten its belt. In fact in *The Times* of October 29 a front page heading read "Chancellor Shuns More Spending Cuts". The article following explains that because of a power play among certain members of the Labour party it is likely that the spending spree in Great Britain will continue.

In short, Mr. Speaker, I think we have come to the point where the secrecy of this government and its cavalier attitude in regard to international monetary conditions and our involvement in them, have to come to a stop. The government must accept that parliament has a right to know.

This brings me back to Clause 5 of the bill to which I referred earlier, Mr. Speaker. I should like to draw the attention of hon. members to what is the proposed substitution for Section 18(2) of the Currency and Exchange Act. Clause 5 of the bill reads as follows:

(2) An annual audit of the Exchange Fund Account and of the transactions in connection therewith shall be made by the Auditor General of Canada in such manner as he thinks proper—

I hope we underline those words, Mr. Speaker.

—and he shall report to the minister and the results thereof.

That is all that will happen, Mr. Speaker. We should compare what the minister wants us to accept now with what exists in the Currency and Exchange Act, Section 18(2). Incidentally, Mr. Speaker, this wording has been in the act since it came into force in July, 1935. The present act reads:

An annual audit of the Exchange Fund Account and of the transactions in connection therewith shall be made by the Auditor General of Canada in such manner as he thinks proper—

That is where the new wording ends. The existing clause states:

—with a view to ascertaining whether the transactions in connection with the account have been in accordance with this act and he shall certify to parliament—

Mr. Speaker, please note this—not to the Minister of Finance but to parliament.

—that, in his opinion, having regard to such examination, the transactions in connection with the account have or have not been in accordance with this Act, and that the records of the account do or do not show truly and clearly the state of the account.

In short, Mr. Speaker, if this bill were to pass without amendment, parliament would have lost the right to have the Auditor General report directly to us concerning transactions in the exchange fund.

Some hon. Members: Shame!

Mr. Stevens: I think there is nothing more fundamental to this parliament than our right to scrutinize such a fund and the transactions that take place. In Clause 4 of the bill we find that the Auditor General reports to the Minister of Finance. Clause 4 reads as follows:

(2) The Minister shall include the financial statements of the account and the report of the Auditor General referred to in subsection 18(2) in the report to parliament referred to in subsection (1) of this section.

Instead of having the Auditor General report directly to us on the activities within the exchange fund, the minister has very cleverly short circuited parliament. Basically he is saying, "The Auditor General reports to me, and I in turn in my regular report under the act, will include that report." That is a very different situation from the present one, Mr. Speaker. I have pointed out that Auditors General have repeatedly included in their reports to the House of Commons a special report on the exchange fund.

In the report for the fiscal year ended March 31, 1975, the present Auditor General sets out at page 45 a statement of assets and liabilities for the Exchange Fund Account. I would draw this to the attention of the hon. minister. At page 46 the Auditor General makes a specific report to parliament. In short, Mr. Speaker, the present procedure is that the Auditor General makes a report not only to the Minister of Finance but also specifically a report to parliament. This is contained in his regular report to this House of Commons, a report to which we are entitled every year under the Financial Administration Act. The Auditor General acts under the provisions of the Financial Administration Act and his responsibilities are very clear. He has to report to the House of Commons concerning his findings.

In this connection, Mr. Speaker, I would point out that Section 18(1) of the Currency and Exchange Act shows the mischief this government is up to. That section reads:

The Financial Administration Act does not apply to the Exchange Fund Account or operations or transactions in connection therewith.

In short, Mr. Speaker, we have caught them taking advantage of the fact that under Section 18(1) the Financial Administration Act does not apply to the Currency and Exchange Act. As things now stand, Section 18(2) requires the Auditor General to report to parliament. If we pass Clause 5 of this bill, however, the Auditor General will no longer have the jurisdiction to report to this parliament because the Financial Administration Act, which he works under, does not apply to the Currency and Exchange Act. It is even questionable whether there will be any report to parliament through the public accounts, or the Auditor General's report at all. The only thing we will see will be a report presumably screened by the Minister of Finance and tabled by him in this House. We should consider the magnitude of this, Mr. Speaker. Members of this parliament must be aroused before this bill is passed to demand an explanation of why we are asked to take away this right.

● (2030)

I would point out that in the Public Accounts of Canada 1976 the transactions, including the assets and liabilities of the exchange reserve accounts, are clearly set out. The exchange fund account is shown as having assets of $4 ¾ billion. It is also set out that the foreign exchange reserve transactions in the year under review are something over $6 billion. Surely it is a very significant thing that those transactions should be properly reviewed, not merely by a screening by the Minister of Finance but by this parliament, and that we have the right to have the Auditor General continue to report to this parliament concerning his findings with regard to transactions of that magnitude.

One really should ask oneself exactly what the minister is after here. Is there something he hopes he can conceal, or does he anticipate that in the future there may be things he would just as soon not have to reveal which he would have to reveal through the reports of the Auditor General at the present time? It is very nice for the parliamentary secretary to stand up and explain that there is this provision with regard to credits and deficits over a three year period in the fund, but why should the government not be required to show the full deficit in the year in which it is incurred, or the full credit, if that is what the government is worried about. Most accounting is on the current basis. Why should there be this right to slough off the full losses we are having to live with now?

I believe there must be a serious question concerning why the bill proposes to take away from the Auditor General his responsibility which has existed since 1935 to report to this House and, second, why there is now this proposal to have this three year averaging kind of a provision. Wouldn't many businesses just love that; if there were mistakes or if they have write-offs wouldn't they love to be able to say that they do not have to report them in the immediate year but can drop them for three years!

The fact is that I believe the minister realizes we are in for a roller-coaster period and realizes he will take us more and more into the international scene where we will just have to hold on to our seats and watch the manipulations in the international monetary markets, with our commitments possibly being cut in half or to zero by countries which have to default on some of the obligations they may have to the external world. This is the reality. I believe there is no question but that we should demand that we receive full explanation and a full accounting through the Auditor General's reports right in this House and not screened through the Minister of Finance, which is what the government is cleverly trying to get through the House this evening.

The Currency and Exchange Act is an act with which most of us are quite familiar. Certainly the Bank of Canada has the immediate charge of investigating the assets of the account. I am not suggesting in any way that there is any faulty manage-

ment with regard to that account. It is well run. But I am saying that we should never at any time give up our right to have an independent Auditor General's report on those transactions in this House.

In conclusion may I say it is particularly important to remember that the Auditor General in his reports over the years has been most helpful in pointing out some of the mistakes that have been made by this government. In dealing with the exchange fund the Auditor General has often pointed out that certain valuations have not been made clear and that deficits would be shown if those evaluations had been made. I refer, for example, to the report of the Auditor General for the fiscal year ended March 31, 1972, and his comments in respect to the foreign exchange reserve account. Under the foreign exchange reserve accounts the advances to the exchange fund account at March 31, 1972, amounted to $5,500,000,000, comprising cash advances from the Consolidated Revenue Account of $5,146,000,000 and special drawing rights of $370 odd million. The report states:

> However, as the market value of the net investments from cash advances held by the Account at that date was only $4,928,540,000, there was a deficit of $217,460,000 which in our opinion should be written off with parliamentary approval as a cost of exchange management.

That is only one of the comments. I could read into the record several that have been made by the Auditor General from time to time concerning the activities within the exchange account. If we should pass this bill in its present form it would appear that no longer would the Auditor General be required to report back to us in parliament in respect to such transactions. I would also point out that if the Financial Administration Act is not applicable, which it is not, to the Currency and Exchange Act, this means that all the rights and privileges which exist under the Financial Administration Act will not apply to the Currency and Exchange Act.

I would recommend, before we are asked to vote on this legislation, that each member carefully review the provisions of this bill and ask himself the simple question: do we want to whittle away the right we have had to have the Auditor General specifically review the activities of this fund and report back to this parliament as an obligation? Do we want to lose that? I believe if there were an open vote in this House we would find that in no way would this bill be passed containing such a provision. I hope that before the evening runs out the minister will give an explanation concerning why he proposes to take away this right from parliament.

I would point out again that the suggestion that the Auditor General will report to the Minister of Finance and the minister of Finance will in turn include that report in his report on the fund to the House is not the answer. We have already had that provision. What I am stating is that there is no reason why we should give up the responsibility of the Auditor General to report back directly to this House in respect of the foreign exchange provisions provided under the Financial Administration Act and allow a full examination to take place in the public accounts committee of this House if it is required.

I know there are other members who wish to speak on this bill. I hope to have an opportunity to speak on it more fully at a later time. I hope that members will not be lulled by the gentle little speech made by the parliamentary secretary. We have a very serious piece of legislation before us tonight and I think we are not acting as true parliamentarians if we let it slip through without getting some explanations.

● (2040)

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I think I should start off, initially at least, by expressing one piece of agreement with what the hon. member for York-Simcoe (Mr. Stevens) said, that it is a serious and important piece of legislation—and then we can start parting company.

I must admit that I have tremendous admiration for the self-confidence of the hon. member for York-Simcoe. Because the Canadian polls show that his party might be forming a government some time in the near future, he can hardly contain his enthusiasm and he feels he should govern Great Britain as well! I did not think that I would be engaging in a debate in which the shade of William Jennings Bryan and his "cross of gold" speech would be revived.

The hon. member for York-Simcoe, I think, is quite correct in his analysis when he says this is an important piece of legislation, but he might have added also that it is a very dangerous and uncertain piece of legislation, and yet the danger of acting otherwise is greater than the danger contained in this legislation.

What we are doing specifically—I suppose because it is the companion piece to the Bretton Wood's Agreement legislation—is to try to look at this bill as part of a total picture. It is an attempt on the part of the world to find some way of making sure that trade is maintained, and that countries which run into financial difficulty can be assisted without both loads of gold having to cross back and forth, or without waiting for a depression to sort things out. We have gone through that on a number of occasions. The world had bogged down completely because we were not able to devise an effective credit system in which we would help out even countries like Great Britain which had some difficulties, without suggesting that they tighten their belt before we give them any money, because what happens to Great Britain will have repercussions in this country. In the 1930's we went through the nonsense of trying to beggar our neighbour, and we destroyed each other in the process.

We have to recognize that what happens to somebody 5,000 10,000 or 15,000 miles away will ultimately affect us as well. It is a dangerous thing. There are not enough dollars around in some cases, there is not enough gold around, nor is there enough credit around. The special drawing rights have been designed as a kind of fill-in currency, perhaps some way of keeping the wheels turning and keeping things going on the basis of credit. I presume that we really do not know how well this will work out, and there is a fair amount of risk involved in dealing in this way. But I think this has to be done, and for that reason I am prepared to support legislation of this kind,

although I want to raise some questions in committee and I feel that this bill should go to the committee so we can raise some questions on it there.

I want to make a comment about Auditors General. We have had two different kinds. We have the present one, whom I admire greatly, and we have had one who seemed to be more politician than Auditor General. I am very curious about clause 5 of the bill. I have some reservations about the Auditor General reporting to the minister rather than to the House, but on looking at some of the preceding clauses I find that the difference between the Auditor General reporting directly to the House and reporting through the minister, who in turn reports to the House, including the financial statements of the account and the report of the Auditor General—it seems to me that basically the information the Auditor General is collecting will be made available to the House—is that there will not be any political comment in that report. By going through the minister, the Auditor General does not have to make any comment and perhaps he prefers not to make any comment on the state of the account and the values in that account because it is not really an accounting procedure that we are examining.

The minute we start dealing with such things as special drawing rights and foreign currencies and asking ourselves what valuation we place on them, it becomes a political decision and it should be dealt with as a political rather than an accounting decision, and if it is a political decision then the person to hold responsible is the Minister of Finance (Mr. Macdonald) rather than the Auditor General. I say this because it seems to me that this is the only reason that I can see at the moment why the government would want to change the accounting procedure from having the Auditor General report directly to the House to having him report to the minister and then have the minister report to the House. But that is something that I will want to question and find out more about when the bill is before the committee.

There is a great danger in a bill of this kind. I am sure every member of the House recognizes that when you are dealing with currencies that are fluctuating and currencies which are not really currencies, such as special drawing rights, there is a great opportunity for hiding the cost of foreign assistance or the cost of being an international good citizen, and it will be a great problem for legislators to find out to what extent we want to bail out other countries and to what extent it will be possible to find out whether in fact we are doing it and how it is being done.

I hope that when this bill gets to committee we will receive an explanation from the government on how it will proceed, and we hope the Auditor General will come before the committee. I would feel much better about letting this bill go through if we had certain assurances from the Minister of Finance, or from his parliamentary secretary, who I think is very capable—

Some hon. Members: Hear, hear!

Mr. Saltsman: —because it does not bother me at all that he introduced the bill and spoke on it. I would accept assurances from either one of them that we will have an opportunity of speaking directly to the Auditor General and asking him what his wishes would be in a case of this kind—would he prefer to report directly to the House, or would he prefer to report to the minister and have the minister report to the House? As I said, I am very impressed with the work that our present Auditor General is doing, and I would like to have an assurance from the minister that we could speak to him because the Auditor General is a servant of this House, not of the minister, and as a servant of this House we should have the right to put that question to him.

I will conclude on that note, Mr. Speaker, and say that I look forward to the examination of the important questions that bills of this kind raise when they go to committee.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to say a few words on this bill, and I hope the minister or his parliamentary secretary will be able to answer some of my questions in committee.

I notice that Clause 14(2) reads:

> The minister may purchase or acquire or cause to be purchased or acquired with assets held by the minister or on his behalf for the Exchange Fund Account
>
> (a) special drawing rights issued by the International Monetary Fund, which rights shall be deemed for the purposes of this Part to be securities;

I raise this because I think it is most important at this time in the history of the world that we have some discussion about the role of the International Monetary Fund and about world currency. Serious questions are being raised around the world and in financial circles about the effectiveness of the International Monetary Fund and how it will function.

• (2050)

On October 21, as reported at page 298 of *Hansard*, I asked the minister about the policy of the sale of gold by the International Monetary Fund which seems to be depressing the price and which has the effect, at least in this part of the world, of reducing the value of our own reserves as well as causing unemployment in our gold centres. The minister reacted by saying that in Manila he had expressed reservations about the way the gold auctions were being conducted, but that in a general way he agreed with it.

There are those who have doubts as to the ability of the International Monetary Fund to continue in the future in the way it was anticipated to operate. Perhaps the demands upon it will be much too great. There are those who argue that removing gold as one of the main ingredients in the International Monetary Fund may have been a mistake.

In committee I hope the minister will give a complete explanation of what happened in Manila and how he sees the IMF performing in the future. We have a real interest in this because according to the general economic advisory committee of the Department of Industry, Trade and Commerce reporting on Canada's trade and balance of payments situation from 1971 to June of 1976, since 1971 Canada's current account balance has fallen from a surplus of $431 million to a deficit of nearly $5 billion in 1975. As recently as 1973 Canada had a

small current account surplus, so in fact in two years from a small surplus we have gone to a deficit of nearly $5 billion. In the first half of 1976 the deficit was slightly higher than the same period in 1975. Although it might improve as the year goes on, there are good reasons to wonder if it will improve. Grain sales are low and prices are low at this time.

Both the merchandise and non-merchandise accounts in our trade balance showed deficits. They moved from a peak of $2.7 billion in 1973 to a deficit of $639 million in 1975. There may be a small merchandise trade surplus for this year of $500 million, as forecast by the department. But what about our deficit on non-merchandise trade? It almost doubled between 1971 and 1975 from $2.1 billion to $4.3 billion. The deficit for the first half of 1976 was about $600 million higher than for the same period in 1975. The non-merchandise deficit for the year as a whole is expected to be in the neighbourhood of $5 billion.

I think we have a significant interest in how the IMF will function. How did this problem come about? The greatest increase has been the increase in the deficit on interest and dividends from $1.1 billion in 1971 to $2 billion in 1975. The deficit on travel rose from $200 million in 1971 to $700 million in 1975.

These are some of the very important things to be discussed with regard to this bill. Two people who are not citizens of this country spoke on this subject. One was the Prime Minister of Jamaica, Mr. Manley, and the other was the American ambassador to Canada. They talked about the problem of international payments in relation to commodity prices. I suppose they reflected the two opposite interests of this world in that Mr. Manley represented the underdeveloped countries. He talked about tyranny of trade, 20 per cent unemployment, the price of manufactured goods from industrial countries rising rapidly and the price of commodities not rising and not being fixed. On the other hand, in a speech in Edmonton Mr. Enders, the American ambassador, pointed out the great problems we have with regard to commodity prices and how they will be set. I suggest that we in Canada have not talked about commodity prices that world nations, and particularly Third World countries, desire. We have not even begun to meet their demands or to discuss their demands, although I think the ambassador, as reported in the newspapers, initiated this.

If commodity prices in the Third World are raised to a high enough level to give them a sense of security and to give them what they consider their rightful market, Canada will face importing products at a much higher price than that to which we have been accustomed.

I will close my brief remarks by pointing out the important things which are facing the world at this time. The Third World countries have debts in the amount of $40 billion or $50 billion, and there seems little hope of their being able to pay them. A few minutes ago on television we saw an interview with Mr. Carter, the President-elect of the United States, with regard to what he would be able to do if the OPEC nations raised their price of oil by 20 per cent. His answer was that he did not hold out much hope that there would be very much which could be done. The United Kingdom is asking for $3.9 billion from the International Monetary Fund, and Mexico has just negotiated a loan of nearly $1 billion. It is now thought that the IMF does not have enough resources to cover even those loans, which are probably small compared with the demands which will be made on the IMF in the future.

In committee I hope we can get from the minister some idea of how he thinks the IMF will cope with the world situation and how he sees Canada's role in the IMF, which is a matter touched upon in this bill.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we are discussing this evening some amendments to a legislation, which according to the text can be entitled: The Currency and Exchange Act. On the other hand, what is suggested? Some amendments are proposed and according to the explanatory notes, I see in clause I that we will add to the currencies considered in Canadian contracts some units of account such as the special drawing rights issued by the International Monetary Fund.

Mr. Speaker, we have discussed at great length in previous years other bills dealing with the benefits of special drawing rights. However, I regret very much that this afternoon when the Minister made his statement on the bill, he refused to explain the benefits for Canada of those special drawing rights issued by the International Monetary Fund.

• (2100)

[*English*]

I have had some experience of what the Government of Canada had to contend with in the IMF. I am reminded of what happened in 1968, and what happened further back, in 1962, when I think of the problems Canada encountered in its participation in the IMF. I do not regret those experiences the Government of Canada underwent. I remember, in the name of international monetary sanity, and I underline sanity, the rebuke or, shall we say, the "Cry halt" which was imposed on the Government of Canada at that time. One must bear in mind the difficulties of interpreting certain statistical information and the fact that various countries, not always the same ones, behaved in a rather strange manner over the years.

I think of what happened to the Government of Canada of the 1962 epoch, when the right hon. gentleman from Prince Albert was Prime Minister, and what happened in 1968 when the Right Hon. Lester Pearson was Prime Minister. The latter had to cut short a holiday in Jamaica by reason of the most horrendous international financial bind Canada had ever known. I may say that in the spirit of the crisis then facing Canada—and it is well known that the Liberal administration of the time was defeated on the third reading of an income tax bill—the then Prime Minister who had to cut short his holiday in Jamaica asked the then leader of the opposition, the hon. member for Halifax (Mr. Stanfield), to give the government 24 hours' respite. And the hon. member for Halifax, with his intense loyalty to Canada, of which I know and which cannot

be measured, agreed; because to him, and to me, were exposed the positions of the international financial account at the time.

We could have mounted an offensive to defeat the government; but it would have been a Pyrrhic victory. Many of those lusting for blood and many bloodsuckers, whether they were social scientists, newspaper columnists, or just plain Bob Stanfield haters, said that the hon. member for Halifax was too soft on that occasion. Mr. Speaker, I want to be on record as saying that Bob Stanfield at that time acted for Canada. There are no two ways about it. Sure, he could have carried on a guerrilla campaign within this House which might have had the support of the NDP and the Créditiste party, and particularly of the Créditiste party of that time, against a motion of general support for the government. But you know, Mr. Speaker, at that time Canada had reached the most perilous international financial status it had ever known.

To meet Canada's trade requirements and those of other countries as well, there was devised a system of international finance. Canada has no particular formula, nor particular pride of possession in this regard. Some trading partners with whom we are proud to deal run into difficulty from time to time. I am sure that all members of the House share with the Minister of Finance (Mr. Macdonald) the hope that somehow, over the years, we will so arrange our mutual affairs internationally as to avoid unnecessary international dislocations. This will not necessarily be done under this bill, in the case of Canada, or under another bill to amend the Bretton Woods Agreement.

Internationally we have had some rough passages in the past. We are going to have some really bumpy passages to negotiate in the next few years. In this regard I refer hon. members to a speech I made the other day on Bill C-15 with regard to the customs tariff. As I, and my colleague from York-Simcoe, and others in the House will show, in international trade this country is going to negotiate some really bumpy water. In his heart I think the minister agrees.

Having said that I say to the minister, and I am sure colleagues on my side of the House agree, that we will participate in any positive measure, if it is going to smooth the rough water ahead which Canadian trade must negotiate during the next few years. And when one speaks of Canadian trade one immediately says, "Yes, but the condition of our trade is reflected in the value of Canadian currency." Mr. Speaker, as I recall, a couple of years ago we went through the exercise of establishing special drawing rights. The minister is asking us to accept an amendment in Clause 1 of the bill, which is quite reasonable I think, to this effect: that in a contract, if there are to be certain, shall we say, equivalents expressed as between Canadian currency and a foreign currency, they may also be expressed in SDRs. I think that is perfectly legitimate. But there are other things which the minister must explain.

● (2110)

Within the general philosophy of this bill there is a greater concentration of ministerial interpretation which is for the benefit of the government. Let us look at an example in the language of the bill. Clause 14(2) reads:

The Minister may purchase or acquire or cause to be purchased or acquired with assets held by the Minister or on his behalf for the Exchange Fund Account

I simply raise the question, why? A little further on there is a change in the language where it reads:

(b) currency of the United States, deposits in currency of the United States held in the name of the Minister with the Bank of Canada or any bank designated by the Minister and securities of the United States;

When we look at the previous act again we say why?

(c) such currencies as the Minister designates as freely usable currencies—

In the past it read:

(c) currencies of any country other than Canada or the United States that are freely convertible into gold or United States dollars;

Why is the designation of the minister introduced?

I then come to the point that was made by my colleague, the hon. member for York-Simcoe (Mr. Stevens). Notwithstanding my general disposition to amendments to the act to make it more administratively feasible, I cry halt. In Section 5 the Minister of Finance says that any examination of the Foreign Exchange Fund Account shall be submitted to him by the Auditor General. That is the point of no return. The Auditor General and his role have been the subject of a great deal of discussion in this House, in newspaper editorials and in academic circles. On this particular point I would defy any member on the government side of the House, from the minister down to the newest backbencher, to debate with me and my colleagues any reason why there should not be a straight, uncomplicated, and direct report on this account from the Auditor General to the Parliament of Canada.

Mr. Kaplan: You're on.

Mr. Lambert (Edmonton West): The parliamentary secretary says I am on. I will debate that with him until kingdom come—

Mr. MacFarlane: And it will.

Mr. Lambert (Edmonton West): —and with the hon. deputy whip of the government, or even the chief whip on the government side. We will debate and we will keep this bill from passage in this House until we are given a satisfactory explanation as to why this particular report, which in essence comes down to the bottom line explanation of the Canadian account on international trade, is not made to all of the Parliament of Canada. I have heard it argued that Canada's international trade should be discussed on the basis of monthly accounts.

Miss Campbell: Oh!

Mr. Lambert (Edmonton West): This is something that bothers the hon. member for South Western Nova (Miss Campbell). It is not in the realm of women. She snored in an unlikely manner.

Miss Campbell: I did not!

Mr. Lambert (Edmonton West): I say to the hon. lady that there must be the strongest economic performance by Canada on all sides to meet the demands that come to us rather frequently from some of the less favoured parts of this country. Frankly we must listen to them. On the other hand, how can we respond in the appropriate manner if there is not economic strength in this country?

I point out to some of the neophytes on the government side that in parts of the country there is good economic activity and that a dissent in these areas in the name of, shall we say, the public weal, is of no value to the country. It cannot be justified on demagogic reasons. We hear every day from the NDP that anybody who is going to make a dollar should have to sacrifice a dollar and a half in a so-called egalitarianism, even if the egalitarianism is made from the bottom of someone's trousers sitting on a bench, and not contributing one iota to the economic advancement, development, and support of this country. In other words you breathe, you demand, you get, and there is to be no differentiation in any part of the country or among individuals. That is their philosophy. I challenge the NDP to make it stick in my province, Alberta. They know how far they are getting in Alberta with that way of thinking. They know how far they will get in any part of the country—

• (2120)

Mr. Goodale: Is there a difference between them and red Tories?

Mr. Lambert (Edmonton West): Oh! I heard somebody whisper something about red Tories. Somebody just woke up over there.

Mr. Duclos: No wonder he was asleep!

[*Translation*]

But look, my dear friend, all that because you don't understand English. I can repeat my whole speech in French if you wish.

Well, then I shall start all over again for the benefit of some hon. members.

An hon. Member: Your remarks are not pertinent!

Mr. Lambert (Edmonton West): There, I ask you if you wish to take part in this debate?

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Lambert (Edmonton West): Mr. Speaker . . .

The Acting Speaker (Mr. Ethier): Order, please. Would hon. members allow the hon. member for Edmonton West to continue his remarks?

Mr. Lambert (Edmonton West): I thank you, Mr. Speaker, to simply point out my rights and say that the participation of the hon. member does not bother me in the least.

I ask the hon. member to listen to me. Through you, Mr. Speaker, I invite him to participate in this debate. I challenge him.

An hon. Member: We participate.

Mr. Lambert (Edmonton West): Now, Mr. Speaker, I want to invite the minister to take part in this debate, because the time which was allotted to me is nearly over.

An hon. Member: Fine.

Mr. Lambert (Edmonton West): Oh no! Not because of your participation, you know, because it is non existent. Listen, friend, come and pay us a visit.

An hon. Member: People do. I did myself last summer.

Mr. Lambert (Edmonton West): Yes, you paid us a visit, but you were not appreciated. Do come back, because your participation was so insignficant . . .

[*English*]

The Acting Speaker (Mr. Ethier): Order. The Chair would appreciate it if the hon. member would return to the bill before us and if other hon. members would refrain from intervening.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Lambert (Edmonton West): I thank you, Mr. Speaker. I am not the least bothered by the interjections originating from my colleagues opposite, and I see that the new minister wants to have his say in this debate. I might ask a few appropriate questions while waiting for his thoughtful contribution to this debate with respect to voicing his feelings on behalf of the Parliament of Canada—and of course, I am thinking of the past. Now that he is a member of the Cabinet, does he share the view that the Auditor General should submit his report on the International Monetary Fund, not to this Parliament, but first to the Minister of Finance, who could then put it through . . . how can I put it . . .

[*English*]

In English I would call it a fine wire sieve. I ask the Minister of State from Winnipeg (Mr. Guay) just where he thinks the Parliament of Canada would be with regard to the role of the Auditor General if we set this example, bearing in mind that there is presently on the Order Paper a bill defining, and even expanding, the role of Auditor General in relation to parliament.

We are members of parliament. I must bow to the hon. member for St. Boniface; he is now a member of the government. But the role of the Auditor General has always been defined in relation to parliament. To the satisfaction of members in all quarters of the House, from the hon. lady from South Western Nova all the way around this Chamber to the farthest benches, this role is being expanded. The bill before us now contains only one clause of significance. Outside of that clause it is a trashy piece of paper. I ask the hon. lady, the

newly-appointed minister of state, and all hon. members right through to the Minister of Finance: what should be the reaction of the House to the proposal before us? I say no to this bill.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, reference has been made this evening to the companion bill which also deals with this question of the International Monetary Fund. As the hon. member for Don Valley (Mr. Kaplan) has stated, I shall be speaking at some length on that bill which deals with some important aspects of international liquidity. The bill before us now deals only with the manner in which the exchange fund is accounted for within the context of our own institutions.

We have listened to an interesting discussion on international liquidity but unfortunately, as I said a while ago, the speech which the hon. member's research department had prepared for him was delivered on the wrong bill.

The essence of the argument made by the official opposition this evening with respect to Clause 5 is that this is an amendment motivated for the purpose of preventing parliament from better knowing the method in which the exchange fund is handled.

Some hon. Members: Yes!

Mr. Macdonald (Rosedale): Hon. members opposite say yes. If that is their only objection, I would point out to them that the provision which is the subject of the amendment I am proposing is, I am advised, the only place remaining in the statutes where that particular wording is used for reporting to parliament; the change is therefore being effected to make this bill consistent with all the other references within the statutes in which the Auditor General's report is called for. The critical question is: on whose motivation is this change being sought? It is alleged that the motivation is mine. May I point out to the hon. gentleman that it was the office of the Auditor General that suggested that this amendment be made.

● (2130)

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): Perhaps the Auditor General is wrong in doing that, although I think he is right in seeking consistency.

At this point may I refer to the remarks of the hon. member for Waterloo-Cambridge (Mr. Saltsman). I would be delighted if the committee would call the Auditor General so as to get his reflections on the proposals in the bill, and perhaps confirmation of what is the nature of the advice given me, namely, that it is at his initiative that this amendment is being made.

Mr. Hnatyshyn: Now you are blaming the civil service. Don't you take responsibility for anything?

Mr. Macdonald (Rosedale): That disposes of the substance of the hon. gentleman's arguments, and I should like to deal with a number of other points.

[Mr. Lambert (Edmonton West).]

Mr. Stevens: You are passing the buck.

Mr. Macdonald (Rosedale): Well, Mr. Speaker, the hon. gentleman says that I am passing the buck. He has said that the Auditor General is a good and faithful servant of parliament, which he is. It is he who has recommended that this amendment be made. I, as minister, have taken that recommendation and acted upon it. It seems to me that he cannot accuse me of passing the buck or of failing to take my responsibility. I am taking that responsibility, and it can be confirmed in committee.

Mr. Hnatyshyn: Are you now telling us where you get your advice? Is this a new precedent?

Mr. Macdonald (Rosedale): I get advice on a great many questions from my officials. If the hon. member does not know that, then he does not know much about government.

The hon. member for York-Simcoe (Mr. Stevens) referred to that section of my Manila speech concerning the liquidity of the International Monetary Fund and the free use of currency. I point out that the reference there was to the fact that certain of the major states contributing to the International Monetary Fund, particularly members of OPEC, have not themselves freed their currencies for general use, as Canada has freed its currency. It was for that purpose that I made the comments I made in Manila.

The hon. Member for York-Simcoe raised an interesting question, which was enthusiastically concurred in by the hon. member for Edmonton Centre (Mr. Paproski), when he said that we have got to be tough with the British, that we have to make it tough for the British.

Mr. Paproski: I did not say that.

Mr. Macdonald (Rosedale): The hon. member for York-Simcoe said it and the hon. member for Edmonton Centre pounded his desk, as is his manner, and made his usual contribution to the House of "Hear, hear!" I think the hon. gentlemen would do well to refer back to the question asked by the right hon. member for Prince Albert (Mr. Diefenbaker) just two days ago, when he complained as a grievance that the International Monetary Fund was being too tough on the British. I would be interested to know what the stand of the official opposition is on this matter. Is the authoritative voice that of the hon. member for York-Simcoe or that of the hon. member for Prince Albert?

Mr. Stevens: What is your stand?

Mr. Macdonald (Rosedale): If the hon. member would refer to my answer the other day he would know what it is. He might do a little homework around here.

The final point I would make to the hon. members again is that the critical questions of liquidity and international transactions are covered in the other bill. I would refer finally to the opening clauses of this bill which make it possible, in terms of domestic transactions, ones under domestic law, to use the currency of special drawing rights. The remaining provisions

of the bill deal with the manner in which the public accounts for the exchange fund are kept and scrutinized. I would be glad to attend personally and also have the relevant officials attend—those responsible for managing Canada's international payments—in order to respond to the interests of the hon. gentleman in this respect.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please way nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Call in the members.

The House divided on the motion (Mr. Macdonald (Rosedale)) which was agreed to on the following division:

● (2140)

(*Division No. 7*)

YEAS

Messrs.

Abbott
Allmand
Anderson
Andras
(Port Arthur)
Andres
(Lincoln)
Baker
(Gander-Twillingate)
Basford
Béchard
Bégin (Miss)
Blais
Broadbent
Caccia
Cafik
Campbell (Miss)
(South Western Nova)
Campbell
(LaSalle-Émard-Côte
Saint-Paul)
Chrétien
Clermont
Collenette
Corbin
Cullen
Cyr
Danson
Daudlin
Dionne
(Northumberland-
Miramichi)
Douglas
(Bruce-Grey)
Duclos
Dupras
Ethier
Faulkner
Flynn
Foster
Fox
Francis
Gauthier
(Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay
(St. Boniface)
Guilbault
Haidasz
Harquail
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Kaplan
Knowles
(Winnipeg
North Centre)
Lalonde
Landers
Lang
Langlois
Laniel
Leblanc
(Laurier)
LeBlanc
(Westmorland-Kent)
Lee
Lefebvre
Leggatt
Loiselle
(Chambly)
Loiselle
(Saint-Henri)
Lumley
MacDonald
(Cardigan)
Macdonald
(Rosedale)
MacEachen
MacFarlane
MacGuigan
Marceau
Martin
McRae
Milne
Munro
(Hamilton East)
Nystrom
Parent
Pearsall
Peters
Portelance
Railton
Raines
Reid
Roberts
Robinson
Rooney
Roy
(Laval)
Saltsman
Sauvé (Mrs.)
Smith
(Saint-Jean)
Stewart
(Cochrane)
Symes
Tessier
Trudel
Turner
Watson
Whelan
Yanakis
Young—96.

NAYS

Messrs.

Alexander
Allard
Andre
(Calgary Centre)
Baker
(Grenville-Carleton)
Baldwin
Balfour
Beatty
Beaudoin
Brisco
Clark
(Rocky Mountain)
Clarke
(Vancouver Quadra)
Crosbie
Crouse
Darling
Dick
Dinsdale
Ellis
Elzinga
Epp
Fairweather
Fortin
Fraser
Friesen
Gauthier
(Roberval)
Gillies
Grafftey
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hnatyshyn
Holmes
Horner
Huntington
Knowles
(Norfolk-Haldimand)
Korchinski
Lambert
(Edmonton West)
La Salle
Lavoie
Lawrence
MacDonald
(Egmont)
Malone
Marshall
Masniuk
Mazankowski
McCain
McCleave
McKenzie
McKinnon
Munro
(Esquimalt-Saanich)
Murta
Nielsen
Nowlan
Oberle
Paproski
Pigott (Mrs.)
Reynolds
Ritchie
Rondeau
Schellenberger
Schumacher
Smith
(Churchill)
Stevens
Stewart
(Marquette)
Towers
Woolliams—64.

● (2320)

Mr. Speaker: I therefore declare the motion carried.

Bill read the second time and referred to the Standing Committee of Finance, Trade and Economic Affairs.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

STATUTORY HOLIDAYS—POSSIBILITY OF LEGISLATION ESTABLISHING HERITAGE DAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, October 22, as recorded in *Hansard* at page 368, I put a question to the Secretary of State (Mr. Roberts) regarding Heritage Day. In particular I asked him if the report of last session was true, namely, that at this session there would be a comprehensive holidays bill which the government would introduce and which would include Heritage Day in the month of February. The minister's answer to that question was a categorical yes. That answer was very satisfactory, and

therefore the minister may wonder why I am raising the matter on a late show.

The reason, of course, is to be found in the answer he gave to my supplementary question. In my supplementary question I asked him whether action could be taken in time so that the first Heritage Day could be celebrated in February, 1977. His reply was to the effect that he hoped that would be the case, but he could not promise it.

The reason I am here tonight—and at this hour of the night those of us on the late show will have enough sense to shorten our questions—is to give the minister a chance to revise that answer. Surely if it has been decided by the government that Heritage Day is to be added to the list of holidays in Canada, there is no reason to delay it for another year.

Actually when Mr. Justice Emmett Hall dealt with a railway dispute well over two years ago, the possibility of Heritage Day becoming a holiday was then before us, and he gave the railway workers at that time reason to believe that the contract he was settling for them would include Heritage Day. They have missed two of them; surely they are not going to miss another.

I believe the idea of a Heritage Day is a good one in terms of what it would recognize, and it is a good idea in this country to have a holiday in February. I was glad that the minister said the other day that the government agrees. I hope tonight he can make a short answer and say that the bill will be introduced in time so that we can celebrate the first Heritage Day in February, 1977.

Mr. Paproski: We have a holiday on February 14, St. Valentine's Day.

Hon. John Roberts (Secretary of State): Mr. Speaker, the hon. member for Edmonton Centre (Mr. Paproski) recommends February 14 as a national holiday, which I would gladly support, not only because it is St. Valentine's Day but also because it is my wife's birthday.

Some hon. Members: Hear, hear!

Mr. Roberts: I appreciate not only the brevity but the eloquence of my friend from the other side of the House. Considerable interest has been shown by members in all parties in this subject in the past. I could refer to the hon. member's bill which he has presented. Other bills have been presented, one proposing the creation of a flag day, one to establish discovery day, one from our distinguished colleague from Prince Edward Island who had the ambition to create a holidy to honour Sir John A. Macdonald, and one from my colleague, the hon. member for Windsor-Walkerville (Mr. MacGuigan) who has often spoken eloquently about the desirability of establishing Heritage Day some time in February.

It is true, as my answer to my hon. friend indicated, that we do plan to proceed with legislation so that hon. members may have the opportunity to make their views known to us about this matter and to vote on it in the House. I must confess that there have been members who have expressed to me the consideration that, in an era of restraint and at a time when all of us are extremely conscious of the necessity for belt-tightening not only in the government but in the private sector, it may not be the right moment for doing this extremely desirable thing. Those sentiments have not deterred the government nor have they deterred me from bringing a measure forward, but it is because there seems to be some indication that there may be some controversy or desire on the part of members of the House to discuss the matter, that I cannot give the assurance to the hon. gentleman that I would like to give him that some time in February he and I together will be able to celebrate this splendid occasion, a holiday in the midst of that grim month of February which seems to last almost into infinity in the middle of the long Canadian winter.

As I said to him, I want this to happen and I wish I were in a position to guarantee that it will happen, but in this matter I am at the disposition of members of the House. Some of them have expressed some reservations. I hope they can be overcome. Our plan is to bring the bill before hon. members as quickly as we can so that they can give us the benefit of their views. I hope they will agree with the hon. member and myself that this is something we should do quickly, but it would be a very brave minister indeed who felt that with such notice he could commit the intention of the House of Commons—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Knowles (Winnipeg North Centre): Give us the chance.

NATIONAL DEFENCE—FAILURE TO REINSTATE WILLIAM BIGGS—REQUEST FOR INQUIRY

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, Mr. William Biggs, a retired army captain having served 25 years with the Canadian forces, was from 1970 to 1974 a civilian employed by Canadian Forces Europe, holding the position of manager of the automobile transaction office in Lahr, Germany. In November, 1974, Biggs without warning was locked out of his office and suspended. He was accused by the Canadian forces of, among other things, fraud, misappropriation of funds, and falsification of accounts. On December 20, 1974, he was fired.

On December 1 of that year while still under suspension Biggs wrote to the Commander, Canadian Forces Europe, requesting a military hearing and access to the ATO files in order to prove his innocence. From that time he has written numerous letters of grievance to his military superiors; to date none of them have been answered except by form acknowledgments of receipt. He was, however, told in February, 1975, by Major General Quinn, Commander of CFE, in answer to a point by point rebuttal written by Biggs, that Biggs' redress of grievance would be answered when the investigation was complete. Nothing further has been heard from General Quinn except that in a letter to Mrs. Biggs, in response to an appeal on her husband's behalf, General Quinn stated that he considered the matter closed.

Immediately after being suspended, a radio announcement was made on the Canadian radio station that the ATO office was closed temporarily due to the results of an audit showing certain discrepancies in its books. The entire community in Lahr was, and still is, under the impression that Mr. Biggs was caught with his hand in the till. In truth there was no audit made before that time. The special investigation unit of the Canadian forces investigated the charges against Mr. Biggs and turned their reports over to the German civil authorities. Mr. Biggs was prosecuted in a German court. On January 27, 1976, his case was heard in the Lahr county court. He was acquitted of all charges against him, and in addition the judge said:

In the course of the hearing the accused has proven himself to be a man of honour, whose seriousness and integrity are not doubted, the reproaches that were raised against him have proven to be absolutely unfounded.

Even the state prosecutor, after he had heard some of his own evidence, requested a dismissal of the charges. The evidence was taken and the case dismissed. Mr. Biggs, of course, expected to be reinstated if found innocent, but this has not happened, and he has instead been informed that the military consider the case closed.

● (2330)

The conduct of this case involves many disturbing and unjust procedures. At no time was he given a clear statement of the allegations against him. The letter of termination includes four paragraphs of charges; these paragraphs state that he did certain things either dishonestly or negligently, but they do not specify the exact transactions referred to and are extremely vague with respect to his exact offences. One of the reasons for this vagueness is undoubtedly that although the letter suggests he may have been dishonest, dishonesty is a ground for firing an employee in Biggs' position only if it is admitted or proven. As it was, neither of the allegations was framed as "unsatisfactory work performance."

Letter after letter from the military personnel stated that his grievance could not be dealt with until the Germans had completed their case against him. Yet no one from the Canadian forces was present at the German trial and, after its completion, no action was taken in response to Mr. Biggs' letter of grievance.

In conclusion, the letter of termination of December, 1974, indicates that Mr. Biggs was either dishonest—and he was entirely cleared of charges of dishonesty by a German county court—or grossly negligent. If in fact Mr. Biggs was incompetent, one would have thought that it might have been discovered some time in his 25 years of military service, or in his four years' service with the automobile transaction office, rather than in the middle of an investigation resulting in trumped up charges which were dismissed in court. In addition, the way in which Mr. Biggs was fired left a cloud hanging over his head. His reputation in the community in which he lives is now that of a dishonest man, and he has for the last two years been unable to find another job. The destruction of a man's reputation and of his ability to earn a livelihood surely requires that he have the opportunity at the very least to answer specific allegations and a chance to restore his good name.

Mr. Biggs has been tried and found innocent but, despite this, has been savagely punished. This is a travesty of basic Canadian justice and fair play.

I point out to the minister that the Canadian Bill of Rights states, in Part I:

. . . no law of Canada shall be construed or applied so as to . . . deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice for the determination of his rights and obligations.

To illustrate how fundamental the justice is which is being denied to Mr. Biggs, I also point out that Magna Carta states:

No free man shall be seized . . . nor will we condemn him . . . excepting by the legal judgment of his peers, or by the laws of the land.

The minister is new at this job, up until now I have always considered him a fair man. I am aware that there has been a "closing of the ranks" on this subject in his department where, of course, the only advice he can get is from the people who instituted or confirmed this outrageous course of action. I have made available to the minister a very brief summation of the facts, as obtained by an independent source. It is now up to him to show the stuff he is made of and to institute an independent inquiry into this very disturbing matter.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the minister has asked me to thank the hon. member for his interest in the case. I wish to assure the hon. member that the minister is personally investigating the matter. I am sure the hon. member will appreciate that the minister has been in charge of the department only for a couple of days and obviously has not had chance to investigate all documents and facts pertinent to the case. The minister would also wish me to thank the hon. member for making available to him a summary of the facts, which he mentioned a few moments ago, facts which he will want to examine closely.

The hon. member himself used expressions such as "disturbing aspects", "trumped-up charges", savagely punished" and "travesty of justice". If such terms represent the feelings of the hon. member and of Mr. Biggs, then it is all the more important for the minister to look carefully at the case, if he is to make a fair and honest determination. The minister has authorized me to assure the hon. member that after he has had an opportunity of reviewing the entire case, he will report his findings to the hon. member personally.

REGIONAL ECONOMIC EXPANSION—REASON FOR FAILURE TO MAKE CHANGES TO INCENTIVES ACT

Mr. David MacDonald (Egmont): Mr. Speaker, on the second or third day of the present session of parliament I raised a question concerning possible amendments to the Regional Development Incentives Act. Numerous suggestions have been made by advisory bodies to the minister, by provincial governments, and other independent bodies with respect to this particular act.

One would have expected to have seen in the recent Speech from the Throne an indication that the Department of Regional Economic Expansion had been dealing in specific terms with some of the improvements and modifications that many Canadians now feel will be necessary if the basic task of assisting and developing industry in regions of economic and social disparity is to be accomplished.

Frankly I was surprised in the first instance that there was no reference in the Speech from the Throne to this matter. I was even more surprised and disturbed when I raised the question in the House on October 13 with the Minister of Regional Economic Expansion (Mr. Lessard). In his answer with regard to the lack of any indication in the Speech from the Throne and whether there was any recommendation to his cabinet colleagues on this matter and whether they had turned it down, the minister said, and I quote:

> Mr. Speaker, no recommendations have actually been made to cabinet at this point by myself or my department because we are now considering as we have done in recent weeks several representations made by various Canadian organizations on the ways to amend the act. I do hope that in the months to come we will be able to reach a consensus in that respect. I would then be in a position to submit to my colleagues in cabinet the amendments that will prove appropriate to meet the needs.

I find this a disturbing answer from a minister who represents a department that claims to be specifically interested in and charged with the problems of economic and social disparity in the various regions of the country.

I realize that the Regional Development Incentives Act is not the major component in the expenditures of this department. It occupies only 20 per cent or less of the department's budget. Much of the money goes into the kind of infrastructure programs that are under the general development agreement and subsidiary agreements with the various provinces.

What is disturbing is that the recommendations that have been made for some time now have virtually been ignored to this date by the minister and his officials. Since 1973 the minister has had a draft report from the Atlantic Development Council. It was published this year. I quote from the report:

> The evidence to date and the trends with respect to offers and applications suggest that unless significant changes in policy and its applications are made, the program as far as the Atlantic region is concerned will not achieve further momentum, but on the contrary, may significantly run down.

The minister has had that advice before him, presumably, for three years. It is not the only report that has been made available to the minister, first from his own advisory group and also from independent studies, some of which have been considered by the regional development committee of this House. The ADC report went on to say, and I quote:

> As a result of RDIA in Atlantic Canada, 'an average of only one new project per year had entered commercial production in the region that possibly would have located elsewhere'.

In addition, major concern has been expressed by independent studies and members on both sides of this House with regard to the amount of ministerial discretion and latitude that exists concerning the approval of project applications.

As far back as June 20, 1972, the hon. member for Kenora-Rainy River (Mr. Reid) asked for the expedition of grants and

demanded less completed work before making payment. Indeed the Liberal party policy convention in 1975 called for the elimination of DREE red tape. There are a number of points that have been made. There is not time this evening to quote all of them.

On December 5, 1975, the hon. member for Halifax (Mr. Stanfield) suggested RDIA should not use uniform standards across the country. The Canadian Council on Rural Development, an advisory body to the minister, in 1969, as well as the Atlantic Development Council in its report published this year, called for more industrial intelligence and post-incentive assistance.

Of greater importance, however, are suggestions that have been made not only by advisory bodies but by provincial governments with regard to the universal coverage of RDIA. Concern has been expressed from the outset.

● (2340)

I recall being a member of the regional development committee in 1969 reviewing the initial legislation and being concerned about the application of this act to service industries. Representations have certainly been made by provincial governments and, in one instance, by the four ministers of tourism in the Atlantic provinces with respect to the importance of RDIA amendments in relation to the tourist industry. In addition, the former minister of regional economic expansion, now Secretary of State for External Affairs (Mr. Jamieson), indicated there might well be three or four amendments dealing with bridge financing, a matter of great importance in the establishment of new industries in economically deprived areas.

I suppose that in the short time available to me I should draw attention to what is a major concern of those of us who have been studying the effects of this act, that is, the difficulty of defining an effective goal and strategy with respect to the federal program of industrial assistance. The Atlantic Council, in a recent report, has stated that from the outset there has never been a clearly defined industrial strategy to which the RDIA would apply. This view was expressed also in a number of independent studies. After seven years it is far too late for the minister to tell us that the government has just begun to study recommendations which have been well-known for years. It is high time some action was taken and it is my hope that the government will act to bring about long overdue amendments to the Regional Development Incentives Act.

Mr. Ed Lumley (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I was pleased to note from the question asked during the queston period on October 13 by the hon. member for Egmont (Mr. MacDonald) that he recognizes the importance of the Regional Development Incentives Act as a tool for implementing regional development policy. This is a view which I personally share with him and one which is held by many other groups as well, including provincial governments and the Atlantic Development Council.

In his question the other day the hon. member referred to recommendations made by the Atlantic Development Council as an advisory body to the Minister of Regional Economic Expansion (Mr. Lessard). I assume he is referring specifically to the recommendations contained in a study published by the Council in May, 1976, which relates to activity under the program during the period from 1969 to 1972.

That study did indeed make recommendations for improving the effectiveness of the regional development incentives program. There are, however, two important points that I would like to make in this regard.

First, the council noted that—and I quote from the report:

"The incentives program in the Atlantic region has been a useful source of financial assistance for industry and has brought a welcome contribution to the growth of employment".

Therefore, even on the basis of early and limited experience with the program, the council study revealed that the program was proving effective.

Second, and perhaps more important, the Council recognized in its report that its recommendations had been "taken into account in the formulation of a number of changes in departmental administration and in the operation of the RDIA program itself." In other words, the council recognized that the department had, on its own initiative, undertaken a policy review of the regional development incentives program and had adopted many of the changes proposed by other bodies including provincial governments and the Atlantic Development Council itself. The decentralization of decision-making and the introduction of standard formulae for certain types of incentives projects are two examples of the recommendations made by the council which were adopted by the department.

Although this major review of the incentives program was undertaken in 1972 and 1973 and changes were initiated in 1974, this is not to say that we are now content with the program and will make no further changes to improve its effectiveness. In fact, as my minister said the other day in response to the question from the hon. Member for Egmont, we are constantly reviewing the on-going operation of the incentives program and continually considering ways and means by which it can be made a better tool for fostering economic expansion and social adjustment in disadvantaged regions of the country.

In this regard, it will be remembered that only last year parliament approved an extension to the act from 1976 to 1981. That extension permits the continued provision of incentives to industry of all sizes, including small businesses where increased emphasis was made possible as a result of the program changes in 1974. It will also provide an opportunity to consider the representations of various Canadian groups and to determine how the government's and the department's objectives can best be met and what, if any, amendments to the Regional Development Incentives Act will be required during that period.

I hope these remarks will help to clarify for all concerned the actions taken recently by our department in relation to the incentives program and our intentions with regard to this program in the future.

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

Motion agreed to and the House adjourned at 11.47 p.m.

HOUSE OF COMMONS

Friday, November 5, 1976

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

PROPOSED CONDEMNATION OF GOVERNMENT FOR DELAYING VOTE—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, under the provisions of Standing Order 43, I ask leave to move:

That this House record its condemnation of the contemptuous disregard shown by the government to this institution of parliament last evening by holding up a vote for an hour or so in order to meet its own needs.

Some hon. Members: Hear, hear!

Mr. Speaker: Such a motion pursuant to Standing Order 43 requires the unanimous consent of the House. Is there consent?

Some hon. Members: No.

* * *

POST OFFICE

SUGGESTED ACTION TO CREATE BETTER RELATIONS BETWEEN UNION AND MANAGEMENT—MOTION UNDER S.O. 43

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, under the terms of Standing Order 43 I rise on a matter of urgent and pressing necessity. Because of the continuing malaise in labour-management relations inside the Post Office—a phrase often used by the former postmaster general—a malaise which has now degenerated into impasse according to the new Postmaster General in his speech to the Canadian Postal Users' Conference this week, management having broken the spirit of the December, 1975 collective agreement with the Canadian Union of Postal Workers by failing to inform the union executive about new equipment being installed in St. John's Newfoundland, and London, Ontario, I move, seconded by the hon. member for Churchill (Mr. Smith):

That the Postmaster General take immediate steps to make management less autocratic, thereby lessening the need of the union to coerce, and as an essential step, to restoring with CUPW an atmosphere of mutual confidence and trust similar to that which has been established with the letter carriers union over recent months, thus assuring the people of Canada the quality of postal service they formerly enjoyed and have every right to expect.

Mr. Speaker: Order. Such a motion can only be presented with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

MANPOWER

PROPOSED CONSULTATION BETWEEN MINISTER AND PREMIER OF NOVA SCOTIA ON MEASURES TO DEAL WITH UNEMPLOYMENT—MOTION UNDER S.O. 43

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 43 to seek the unanimous consent of the House to deal with a matter of urgent and pressing necessity. Given the fact that the Sydney Steel Plant is about to lay off an additional 170 employees shortly and given the fact that unemployment in the industrial area of Cape Breton has already reached almost 20 per cent, I move, seconded by the hon. member for New Westminster (Mr. Leggatt):

That this House instruct the Minister of Manpower and Immigration to consult with the Premier of Nova Scotia to formulate special measures to deal with this unemployment crisis and to work out plans to ensure a stable future for the Sydney Steel Plant.

Mr. Speaker: This is a motion pursuant to Standing Order 43 and it can be put only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

* * *

● (1110)

ADMINISTRATION OF JUSTICE

REQUEST FOR INVESTIGATION OF ALLEGED ABORTION RACKET—MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I rise in accordance with the provisions of Standing Order 43 to move a motion of urgent and pressing necessity in reference to the administration of justice. I refer to numerous advertisements put in daily newspapers concerning abortion: for example, "Confidential: legally performed in the state of New York by qualified gynecologists, directly from Ottawa, same day return".

I therefore move, seconded by the hon. member for Lisgar (Mr. Murta):

That the Minister of Justice, within his powers conferred upon him by the constitution and with consultation with the appropriate attorneys general of the

provinces, investigate this abortion racket being advertised in Canada and performed in the U.S.A., particularly when Morgentaler is being persecuted and prosecuted for illegal abortions in Canada.

Mr. Speaker: Order. Such a motion pursuant to the provisions of Standing Order 43 can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC WORKS

REQUEST THAT MINISTER TABLE FIGURES RELATING TO LES TERRASSES DE LA CHAUDIÈRE PROJECT—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. As the Minister of Public Works (Mr. Buchanan) presented a series of figures in a press conference yesterday purporting to show that the government lost only $6 million, not $50 million, in its lease-purchase agreement at Les Terrasses de la Chaudière compared to expropriating and constructing similar facilities for itself, and since these figures actually constitute a shell game based on the most irresponsible financial premises—

Some hon. Members: Order.

Mr. Stevens: —and conceal a loss to the taxpayers of several tens of millions of dollars, and whereas the minister avowed he would meet any challenge to the validity of these figures and is prepared to back them up, I move, seconded by the hon. member for Crowfoot (Mr. Horner):

That this House direct the minister to table his figures, which appear to be as irregular and extraordinary as the Les Terrasses de la Chaudière project itself.

Mr. Speaker: Order, please. I will put the question to the House, but we have consistently held in the past that a notice of motion pursuant to Standing Order 43 ought to contain only sufficient information to display its urgency and not argument or debate. In any case, such a motion can be presented to the House only with its unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

SUGGESTED REFERENCE OF REPORT "THE HIDDEN WELFARE SYSTEM" TO COMMITTEE—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43. In light of the conclusion of the recent National Council of Welfare publication, "The Hidden Welfare System" that the system of income tax subsidies in effect currently cost the treasury $6.4 billion a year, and in light of the fact that the benefits of this $6.4 billion subsidy benefit more the rich and wealthy in Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the House refer to the Standing Committee on Finance, Trade and Economic Affairs the report of the National Council of Welfare, "The Hidden Welfare System", for study, and that it report back to the House prior to December, 1976.

Mr. Speaker: Such a motion can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY-GENERAL OF THE COMMONWEALTH

Mr. Speaker: Before beginning the oral question period, I know hon. members would want me to call attention to the presence in our gallery of a very distinguished visitor in the person of the Secretary-General of the Commonwealth, the Honourable Shridath Ramphal.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

RESULTS OF DISCUSSIONS WITH FRANCE ON EXTENSION BY CANADA OF FISHING ZONE TO TWO HUNDRED MILES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. The minister has recently returned from France and I should like to ask him this question. In light of the important social and economic impact of the fisheries on the people of Atlantic Canada, may I ask the minister whether agreement has been reached between Canada and France over the conflict of interest between our two countries with regard to the extension of our fishing limit to 200 miles, bearing in mind that while he was attending to his duties in Paris his counterpart, the Minister of Fisheries and the Environment, made an announcement in this House and served statutory notice of his intention to declare a 200 mile limit effective January 1, 1977?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I am happy to give the hon. member and the House as much information as I can today. I undertake as well to have a statement prepared over the weekend

regarding the Canada-France negotiations; there simply has not been time for me to put it together. On the matter of the St. Pierre and Miquelon-Canada situation, we held discussions lately at the ministerial level in Paris which were a follow on of discussions which have been underway between officials for sometime. It is evident that it will not be possible, as it was not possible with the United States, to conclude and finalize all aspects of this question before January 1.

However, in a most amiable discussion and negotiation, France and Canada undertook to put in place an interim agreement or arrangement, which will be done before January 1; the mutual objective, as stated by each side during the talks in Paris, is to prevent any disruption or serious change in the situation as of January 1. In the meantime long-term discussions will continue and the interim arrangement will eventually be replaced with what I am satisfied will be a mutually agreeable solution.

DISCUSSIONS WITH FRANCE ON ALLOCATION OF FISHING QUOTAS

Mr. Lloyd R. Crouse (South Shore): A supplementary question, Mr. Speaker. I thank the minister for his reply and appreciate that he recently returned and has not had time to prepare a report. I hope that when it is ready the report will be presented to the House and not outside the House, so that we will have the opportunity to examine it. My supplementary question is as follows: Since there has obviously been a lack of agreement to date on this important matter, I should like to know if there was any discussion of quotas which would be allocated to France under the ICNAF arrangement covering zones three and four; also, have any special arrangements been made between Canada and France in this particular area?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, first, I assure the hon. member that, on the matter of providing full information, I will be pleased to consult with him and other interested members on the best means for giving detailed information to the House; we could perhaps do that after the weekend. To answer the specific question, I think the hon. member is aware of two agreements in place between Canada and France which will, in our judgment and incidentally in the judgment of France, resolve the immediate problem. One is the ICNAF quota arrangements for 1977 which will form the basis for setting up quotas in the zones to which the hon. member referred. Of course, there is in addition a 1972 treaty between Canada and France which is not affected substantively by the announcement of the 200-mile zone extension made by my colleague on my behalf and his own two days ago.

STATUS OF NEGOTIATIONS WITH UNITED STATES CONCERNING GEORGES BANK

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, may I ask a final supplementary question. The perimeter of the 200-mile limit as listed by the minister responsible for fisheries and the environment shows that we have drawn a line equidistant from Canada and the United States which takes in the upper portion of Georges Bank, an area which alone provides about $30 million worth of scallops to Canada. I ask the minister if final agreement has been reached on the ownership of Georges Bank with the Americans? I ask this because of the economic value in fisheries resources alone of this bank to Canada, and because the minerals and oil and gas deposits which could be discovered in the area make it doubly important to the economy of this country. What is the status of the negotiations concerning this area between Canada and the United States, and have they been finalized?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the many issues to which the hon. member referred have not been settled finally. I believe I indicated prior to the declaration made two days ago that action was being taken without prejudice and that negotiations with the United States would continue. Canada has drawn what is properly described by the hon. member as an equidistant line which goes through Georges Bank. The United States in response, and incidentally in consultation, for we were aware it was going to be done, has drawn a different line with which I am sure the hon. member is familiar. Each of these actions has been taken without prejudice. As the press releases of both sides indicated, it was merely, to use an informal expression, a staking out of positions so far as the United States is concerned, and the talks will continue in an amicable way.

• (1120)

In the meantime, as with the situation vis-à-vis St. Pierre-Miquelon we expect there will be an interim arrangement in place by January 1, the objective of which will be to ensure that there is no disruption in the historical and normal pattern of activity in the Georges Bank area.

Mr. Speaker, if the hon. member wishes, and the House is agreeable, I could table both the press release of Canada and that of the United States which would give a fuller explanation.

EFFECT OF BILATERAL AGREEMENTS ON RIGHT OF CANADA TO MANAGE FISHERIES RESOURCES—POSSIBILITY OF JOINT VENTURES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I congratulate the minister on his successful first mission abroad. I hope he hill continue with that old fashioned salt-water diplomacy. Bearing in mind the fact that we have already bartered away 85 per cent of the foreign capability in bilateral agreements and that the Prime Minister when he was in Japan indicated there would be a licensing agreement with Japan which does not recognize our right to the 200-mile economic zone leading us to believe that the declaration may be a cosmetic exercise and not mean a great deal to Canada, can the minister assure the House that the bilateral agreements with these countries, including France and including the licensing arrangement with Japan, will not take away the right

which is ours to manage the resource and to have first right to exploitation.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I think I can give that assurance without any qualification, Mr. Speaker. I thank the hon. member for his kind words. He made reference to bartering away 85 per cent. In point of fact I think if he looks thoroughly at the bilateral agreement he would find that it is protecting the 85 per cent which was taken by countries with whom we now have a bilateral agreement. The essential element, to the extent that Mr. Speaker will permit, is really that in the 200-mile zone and with the problem areas I have mentioned having to be dealt with on an interim basis, Canada will take all it requires for its own purposes and only quotas that are in excess of Canada's needs will be allocated to any of the countries with whom we have bilateral agreements.

Mr. McGrath: Mr. Speaker, may I ask the minister if the government has taken any position on the possibility of Canada entering into joint ventures with the countries with whom we have bilateral agreements, bearing in mind the fact that it will be some considerable time before we have the capacity to utilize our rights within the 200-mile zone.

Mr. Jamieson: Mr. Speaker, the possibility of joint ventures with the various countries with whom we have bilateral agreements has of course been explored and to some degree has been as a result of initiatives undertaken by the Government of Newfoundland. There are, however, a great many implications which will need thorough study. I think all hon. members would wish that kind of joint venture to be undertaken. Specifically, in the first year after the declaration of the 200 miles it is highly unlikely there will be adequate stocks remaining to foreign countries to justify such joint ventures, but we are not ruling out the possibility. We would merely want to make sure that the Canadian fishermen and the Canadian fish plant operators are properly protected before anything additional is done.

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MANPOWER

LAY-OFFS AT SYDNEY STEEL PLANT—MEASURES TO COMBAT UNEMPLOYMENT IN CAPE BRETON

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and in his absence I will direct it to the acting Prime Minister. In view of the fact that another 170 employees will shortly be laid off at the Sydney steel plant, will the acting Prime Minister tell us if the government intends to come up with some emergency measures to meet the serious unemployment problem in the Cape Breton area.

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, in the presence of the Minister of Manpower and Immigration I, of course, am concerned about the issue raised by the hon. member. As he knows we have manpower consultative services which are always available to meet situations such as this, and those services most assuredly will be made available. My people will be looking into it, probably in concert with management and labour in that particular industry.

Mr. Hogan: Mr. Speaker, in view of this approaching lay-off will the Minister of Manpower and Immigration announce early next week the amounts of training and re-training funds his department will be making available. Would he also consider once again putting additional LIP funds into that area immediately, since the people in the area had this program slashed so badly this year, in order to prevent the area from suffering a further serious collapse?

Mr. Cullen: Mr. Speaker, as in each LIP program some funds have been leftover—I believe "slippage" is the word used—where possible we try to put them into an area, such as the hon. member suggests, when something occurs between the time the level is set and the lay-off takes place.

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[*Translation*]

INDUSTRY

TEXTILES—INQUIRY IF REPORT ON IMPORTS WILL BE TABLED

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in view of the absence of the Minister of Industry, Trade and Commerce I should like to direct my question to his parliamentary secretary.

Because of the very difficult situation in which the textile industry finds itself, would the parliamentary secretary give the House some information about the real situation with regard to imports? In addition, has the commission responsible for supervising those imports recently made a report on the situation and, if so, could that report be tabled in the House?

If, however, it is impossible to give a reply to my question today, I would appreciate good note being taken of it and a reply being given to it next week.

[*English*]

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I did not hear the total question. Rather than have the hon. member repeat it, I will take notice of it and bring it to the attention of the minister.

An hon. Member: What will you take notice of if you did not hear it?

EXTERNAL AFFAIRS

POSSIBLE USE BY FRANCE OF ST. PIERRE AND MIQUELON TO EXTEND TWO HUNDRED MILE FISHING ZONE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is supplementary to those asked by my colleagues of the Secretary of State for External Affairs. Was the minister, in his talks with French officials, given the assurance, since they declared the 200 mile economic zone back in July, that they would not use St. Pierre and Miquelon to extend the 200 mile limit around these small islands which would interfere with any negotiations that would take place?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, first of all, France has not as yet declared a 200 mile economic zone. However, on Wednesday of this week a statement was released by the European Economic Community indicating that there had been agreement within the community to a total extension by all the countries involved. In so far as the two islands are concerned, there is no suggestion that the French government would seek to extend the 200 mile zone around the islands of St. Pierre and Miquelon in the sense that the hon. member has mentioned. Apart from everything else, I would have to fight that vigorously because I would lose most of my good constituency in the process.

Mr. Marshall: Even though the minister might lose his constituency—

Some hon. Members: Oh, oh!

An hon. Member: He will lose it anyway.

Mr. Marshall: —St. Pierre and Miquelon are a French department and a member of the Common Market. They could extend their zone legally and the French could use it as a weapon in further negotiations. The minister did not answer my question. Was he given the assurance that they would not use that as a weapon to extend the 200 mile limit?

Mr. Jamieson: No, I was not given that assurance because, quite honestly, the issue never arose. I think there was a general assumption on all sides that this would not be the case.

Some hon. Members: Oh, come on.

● (1130)

Mr. Jamieson: Hon. members should let me answer the question. I was there, I know what happened, and I would be glad to tell the House, if hon. members do not mind listening.

Mr. Paproski: Don't get testy, Don.

Mr. Jamieson: What I said, in seeking to answer the hon. member as fully as I could, was that on neither side was there the slightest suggestion that St. Pierre and Miquelon would be regarded as being part of the position of the European Economic Community. In answer to those who ooh and aah about it, I made it perfectly clear to the French government that there was no willingness on Canada's part, and in fact there would be total resistance if there were any effort to seek to change a Canada-France bilateral arrangement into one which entitled the European Economic Community as a whole to some kind of privilege. That was made perfectly clear in the discussions.

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SOCIAL SECURITY

MEASURES TO GIVE BLIND PEOPLE BETTER STANDARD OF LIVING

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of National Health and Welfare. The recent report by Professor Cyril Greenland, who was commissioned by the minister's department and the Canadian National Institute for the Blind to study the problems faced by blind people in Canada, states that more than half the blind people of working age exist at substantially less than the officially accepted levels of poverty and also that the CNIB has lost much of its ability to meet the needs of the blind. When will the minister be making a statement as to what he and his department intend to do to correct this serious situation and to give blind people in Canada the same chance of a good life as other people have?

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, the report has been received by myself, as well as by the CNIB. I would point out that most of the recommendations in the report are addressed to the institute, and I am advised that it has taken steps to put into effect the recommendations involving the institute itself.

As far as the department is concerned, I am glad to hear the suggestion of the hon. member that we should do more for low income people, particularly blind and disabled people. I hope that his side of the House will support any proposals for a form of guaranteed income and expanded social services for people on low incomes in this country.

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GOVERNMENT ADMINISTRATION

ESTABLISHMENT OF SINKING FUND FOR LES TERRASSES DE LA CHAUDIÈRE PROJECT—GOVERNMENT POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Public Works I would like to put a question to the President of the Treasury Board. In view of the rather bizarre presentation of figures by the Minister of Public Works during a press conference yesterday in which he attempted to leave the impression that an admitted government commitment to pay $510 million to Campeau Corporation over the next 35 years would only cost the government $142,517,021, would the President of the Treasury Board indicate if he subscribes to this view, and would he indicate if

the government has actually set up a $142,517,021 sinking fund with respect to the Campeau Hull project to which the Minister of Public Works referred and which is apparently a critical part of his thesis?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, before I go into that kind of detail, I would like to refresh my memory as to exactly what was said and as to all the facts.

Mr. Stevens: In view of the possible new breakthrough in handling government commitments discovered by the Department of Public Works as revealed yesterday, is the President of the Treasury Board aware that if the $142,517,021 referred to by the Minister of Public Works in his press conference were held at 10 per cent interest for 70 years, and not just the 35 years suggested by him, it would be sufficient to pay off the entire national debt, and if so, does the minister intend to liquidate the nation's debt in this way?

Mr. Andras: I must admit I had not thought of that fascinating possibility.

Mr. Stevens: Mr. Speaker, if I may I would like to direct my final supplementary to the Acting Prime Minister. As the Minister of Public Works apparently has not impressed his colleague the President of the Treasury Board with his new mathematics, would the Acting Prime Minister indicate if in fact the theory advanced yesterday by the Minister of Public Works was advanced in the hope that he might be swept into the leadership of the Social Credit Party at its forthcoming convention?

Some hon. Members: Oh, oh!

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HEALTH

BASIS ON WHICH CANADIAN DECISION ON RED DYE IN FOODSTUFFS DIFFERENT FROM THAT OF UNITED STATES

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. We were informed some time ago that the food and drug agency in the United States of America banned certain red dyes for foodstuffs, et cetera. The minister has informed this House that Canadian officials and our food and drug agency do not agree with this decision and have not banned certain red dyes for foodstuffs in Canada. In the interests of the Canadian consumer, aside from verbally assuring the House that there has been a difference of opinion between our agency and the agency in the United States, will the minister make public in detail—and I emphasize in detail—the basis upon which our officials made their decision which was different from that made in the United States?

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, within the hour the hon. member will receive extensive bibliography, text and literature on this whole subject which I expect will keep him busy for the next two months. I certainly would have no objection to making it available to anyone else who is interested. The bibliography will be in his hands some time today, and I wish the hon. member good luck with it.

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EXTERNAL AFFAIRS

DATE ON WHICH MEASURES APPLYING TO INTERNATIONAL BOYCOTTS APPLICABLE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In his statement on October 21 about the policy of the government on the Arab and other international boycotts he said that the government would be denying its support and facilities to Canadian firms involved in boycott undertakings and that all Canadian firms would be required to report to the government any compliance by them with such boycott provisions. However, later he confirmed to me that these measures were not being put into effect that day, and he did not indicate a date for them to start, so I want to ask the minister whether these two measures are now in operation in all federal government departments, agencies and Crown corporations, and if so by what mechanism? If not, exactly when will they be put into full and meaningful operation?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, having just returned yesterday I am not sure whether all agencies, Crown corporations et cetera have been fully advised as to the mechanisms. I do know that immediately after making my announcement in the House I had discussions with legal people in the department, and I also understand that they had some with the Department of Industry, Trade and Commerce to work out the mechanics of the implementation of the policy. If the hon. member will permit, I will check on it again today and find out if it is fully in place or how long it is likely to take to get the regulations published and the information disseminated.

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ANTI-INFLATION BOARD

REASON INCOMES OF PROFESSIONALS ALLOWED TO EXCEED GUIDELINES—GOVERNMENT ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, last week I asked a question which was not answered due to the unfortunate absence of the Minister of Finance. I would like to direct a question to him now arising out of the first report of the Anti-Inflation Board, which shows that between the base period and the reporting period the average income of professional individuals increased by $4,900, which is more than double the $2,400 per year prescribed by the Anti-Inflation Board. It also shows that the three leading groups were engineers, who exceeded by $7,700, dentists by $6,700 and lawyers by $5,100. I want to ask the minister if

there is any explanation for this failure to enforce the $2,400 increase allowed to professionals and what action the AIB proposes to take to deal with this situation.

● (1140)

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker, there is an explanation for it. The first reporting period was the year 1975, in respect of which only two and a half months were under the anti-inflation program. With a number of the professions cited by the hon. gentleman, such as dentists, the fee increase had come into effect earlier in the year 1975, before the anti-inflation program was in place so the figures indicated in that report covered a year of which more than three-quarters had elapsed before the program came into effect, thereby causing the difference in the increase over the program limits. I might comment that this indication of substantial increases in professional income is just further evidence of the extent to which additional income costs were being pushed through the economy to people who have to pay before the control period commenced.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, a supplementary question. May I point out first of all that if the reporting period is not for all of 1975, surely the base year must have been 1974. I want to ask the minister why it was not possible to make the reporting period the last 2½ months of 1975 which would have given an accurate picture, and why it is not possible to give an interim report for the first six months of 1976 as was done in the case of the reports on the interim excess revenue received by business companies who report to the Anti-Inflation Board?

Mr. Macdonald (Rosedale): Mr. Speaker, I would have to confirm this with the board, but my expectation would be that individuals in this case—and we are talking about individual professionals as well as many firms—who would normally report on a full year basis do not have the same facilities as corporations to make quarterly reports as companies customarily do through stock exchanges to their shareholders. The first period of control is therefore just for 2½ months, and it was not possible, I take it, to segregate that 2½ month period in 1975 from the whole year in which the income was reported.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A final supplementary, Mr. Speaker. In view of the fact that a number of professionals who work for municipalities and public institutions have been required to return money which they received in excess of the $2,400 allowable maximum; and in view of the fact there seems to be no mechanism clearly established for imposing this provision with respect to professional firms and individuals reporting, does it not become increasingly apparent that the Prime Minister was quite right in 1974 when he reiterated again and again that while it was possible to impose controls on wage and salary earners it was virtually impossible to impose controls on professional groups, profits and dividends? Is it not time the minister gave to the House a clearcut formula by which this requirement can be applied to professionals or admit that this part of the program is simply a charade?

Mr. Macdonald (Rosedale): Mr. Speaker, I think the hon. gentleman is going too far with his final words. It certainly is more difficult to apply the controls on the many thousands of professionals and their incomes in comparison, for example, with the larger economic aggregates, such as the major corporations. Notwithstanding that, I think it is in the interests of the equity of the program to try to maintain the restraint as well on professional incomes. I think the hon. gentleman's comments highlight the importance of imposing restraints on the professional sector as well as on management and organized labour.

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PARKS CANADA

POSSIBILITY CORNWALL OFFICE TO BE MOVED—
CONSULTATION WITH MEMBER FOR STORMONT-DUNDAS

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Is there any truth to the stories that the Parks Canada installation at Cornwall, Ontario is to be moved from that city in eastern Ontario to some other part of Ontario?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, there was a plan to move the present regional office which was for Ontario and Quebec and was situated in Cornwall, to Guelph and Quebec City. What was one region serving Quebec and Ontario was to be split into two regions covering Quebec and Ontario with a regional office in Quebec City and one in Guelph. That was the plan set up some time ago and as far as I know that is the present plan.

Mr. Baker (Grenville-Carleton): A supplementary question. Can the minister tell the House whether there was consultation with the hon. member for Stormont-Dundas with respect to the move and if there was did he approve of that move which is part of the relocation program of the government? I particularly ask the question in view of the reports of the protest that was lodged with the Minister of Industry, Trade and Commerce by his parliamentary secretary against the public service move and requesting that construction of additional office accommodation be stopped. Obviously, he was not consulted by his own minister, but was the hon. member for Stormont-Dundas consulted and did he approve?

Mr. Allmand: Mr. Speaker, I do not know if he was consulted because I was not minister at the time. I can tell the hon. member, however, that the hon. member for Stormont-Dundas has asked me to reconsider the move and try to keep the office in Cornwall.

Oral Questions

GOVERNMENT ADMINISTRATION

ALLEGED REQUEST OF MR. POULIN THAT CONSTRUCTION OF ADDITIONAL OFFICE SPACE BE STOPPED

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I should now like to direct a question to the Parliamentary Secretary to the Minister of Industry, Trade and Commerce and I hope he can answer it. Can the parliamentary secretary tell the House whether his minister has received his letter of protest with respect to the movement of public servants to Hull or elsewhere in Canada, a letter which also requests that construction of additional office accommodation be stopped until the requested information is received? Has the minister indicated to him that he is prepared to act upon his request?

Mr. Hugh Poulin (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I might say with respect to the general matter of decentralization of government services from Ottawa to other parts of the country that both in my election campaign in 1972 and also in 1974—

Some hon. Members: Order!

Mr. Speaker: Order, please. We have been getting closer and closer to some very dicey ground in the asking and answering of questions in the absence of the Minister of Industry, Trade and Commerce who has indicated that he retains responsibility for the decentralization program. The question is therefore properly put to him and I presume properly put to his parliamentary secretary. However, the answer would have to relate to the minister's responsibility for decentralization and not the parliamentary secretary's responsibility as the member for Ottawa Centre.

Mr. Poulin: Mr. Speaker, with respect, my riding is Ottawa Centre and not Ottawa West. I was answering the question and the preamble put to me by the hon. member for Grenville-Carleton. I did have occasion and did support the policy at that time. The policy is one that would be for the benefit of Canada. If the hon. member will read my letter very closely, the direction of the complaint was more to the Minister of Public Works with respect to the vacancies which would occur in the community as a result of movement to Hull and elsewhere in Canada. As far as the Minister of Industry, Trade and Commerce is concerned, I have consulted with him on this matter and he has said he will discuss it with me further upon his return to Ottawa next week. He has suggested that he and I meet with the mayor to discuss this very urgent problem at the earliest possible time.

* * *

BANK ACT

DATE OF INTRODUCTION OF REVISIONS

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, may I put a question to the Minister of Finance? Given that the Bank Act will expire next June 30, and given the concern of Canadians as evidenced by the many briefs submitted in response to the white paper as well as the normal length of time needed for passage of new legislation, may I ask when the revisions to the Bank Act will be presented to the House so that the detailed process can be completed in time to avoid the many extensions of the Bank Act that were necessary between 1964 and 1967?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as the hon. gentleman may know, a deadline of October 15 was set for public reaction to the white paper on banking. The reactions we have received are now being taken into account in the drafting process and we would expect that by mid-December it would be possible to give the bill first reading. I was therefore pleased to learn that the Standing Committee on Finance, Trade and Economic Affairs has agreed upon a tentative timetable which will make it possible for all stages of the Bank Act to be dealt with by June 30, 1977.

* * *

ENERGY

POSSIBILITY OF STATEMENT ON EXPORT OF ELECTRICITY

Mr. James Gillies (Don Valley): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources. Does the minister intend to make a statement around 12.30 p.m. today about export hydro-electric power in Canada?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the National Energy Board will be making a release at about that time.

An hon. Member: Why not here?

An hon. Member: What is the matter with the House of Commons?

* * *

ADMINISTRATION OF JUSTICE

PAYMENT OF COSTS FOR MR. OUELLET CONTEMPT OF COURT PROCEEDINGS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Minister of Justice. Can the minister advise whether the federal government or the Quebec government has taken up the account for the Ouellet contempt of court proceedings set in motion by Mr. Justice Mackay of the Superior Court of Quebec or, alternatively, is each side leaving it up to a judge to spend about half of his gross pay for a year, to protect the honour of the Canadian legal system?

• (1150)

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I gather that when the hon. member says "taken up" he refers

to payment. I can only speak for the federal government and the answer is no.

Mr. McCleave: Ten o'clock, Mr. Speaker. I will, however, present a motion on Monday which may solve this miserable situation.

* * *

ANTI-INFLATION PROGRAM

REQUEST THAT AGREEMENT WITH BRITISH COLUMBIA TEACHERS BE ALLOWED TO STAND

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Finance. In view of the retroactive nature of Bill C-16 passed by the government of British Columbia giving the Anti-Inflation Board jurisdiction over British Columbia teachers as of October 14, 1975, although the enabling legislation was not enacted until June 23, 1976, will the minister give special consideration to allowing the original binding arbitration agreement to stand, first in the interest of justice and, second, in order to forestall a complicated legal battle between the B.C. teachers federation and/or the government of British Columbia and/or the government of Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have to advise the hon. member that the Anti-Inflation Act as it stands on the books really gives no discretion either to the ministry or to the Anti-Inflation Board with regard to this particular settlement. As the hon. member has suggested, there is now litigation underway in the B.C. courts to determine the validity of the retroactive legislation passed by the British Columbia government. I think I am probably constrained by that litigation from making any further comment about that particular settlement.

* * *

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Solicitor General. Is the RCMP investigating the apparent kidnapping of the new Minister of State for Urban Affairs, the hon. member for Papineau, who was named three days ago and has not been seen in this chamber since?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

EXTERNAL AFFAIRS

ALLEGATION CANADA SEEKING DESIGN FOR ICEBREAKER IN FRANCE

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Why did the minister feel it necessary to go to France to look for design plans for an icebreaker, as reported in the press, when we have in Canada an acknowledged competence in this particular area of ship design, as in others, a competence that has won us worldwide recognition?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have not seen the press report, but if it states anything of that nature, it is totally erroneous. The French government raised with me the possibility of providing a power plant for an icebreaker to be designed and built in Canada. The French government is interested in supplying the power plant for it, as are several governments. It was they who raised the issue and that was all there was to it.

* * *

FRESHWATER FISH MARKETING CORPORATION

DATE OF FINAL PAYMENT TO FISHERMEN—POSSIBLE EXCLUSION OF SASKATCHEWAN FISHERMEN

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, my question is to the Minister of Fisheries. Is it the intention of the Freshwater Fish Marketing Corporation to make a final payment to all fishermen and when will this payment be made? Is it the intention to exclude about 80 per cent of the Saskatchewan fishermen from such final payment?

Hon. Roméo LeBlanc (Minister of State (Fisheries) and the Environment): Mr. Speaker, I will have to check into that. However, that is a decision for the board on which fishermen and the provinces are represented. It is a decision they would make, not I.

Mr. Korchinski: How is it that the Freshwater Fish Marketing Corporation can exclude certain fishermen even though they are a part of the total operation? As I understand it, they are being excluded in order to make the cooperatives function rather than have individual fishermen receive a greater return.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I am not acquainted with the proposal or the fact. I have not checked into this. The groups could or could not be excluded. I repeat, the matter of final payment and redistribution of money of the corporation is a matter for the board to decide. The board has fishermen representatives and provincial government representatives. I do not run the board from this office in Ottawa.

Oral Questions

EXTERNAL AFFAIRS

MINISTER RESPONSIBLE FOR CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—POSSIBLE EXTENSION OF NORTH-SOUTH CONFERENCE

Mr. Douglas Roche (Edmonton-Strathcona): Mr. Speaker, my question is directed to the Acting Prime Minister. It follows the answer he gave yesterday to the Leader of the Opposition. As a result of discussions that have been going on between him and the Secretary of State for External Affairs concerning who will take parliamentary responsibility for CIDA, can the minister now confirm that he will take this responsibility in order to ensure consistency in government policy in harmonizing the work of CIDA with the North-South Conference and will the minister press for an extension of the North-South talks because of the change in the United States presidency?

Hon. Allan J. MacEachen (Acting Prime Minister): On the first point, Mr. Speaker, the situation has not changed since my answer yesterday. With regard to the extension of the North-South dialogue in Paris, it is too early for me to draw conclusions as to whether it would be good to extend the conference into next year. Obviously, because it is a conference that operates on concensus, the group of 19 would have to be involved in any decision to extend. I expect to be seeing my fellow co-chairman a week from next Monday, and I will have discussions along those lines with him.

* * *

TRANSPORT

SHORTAGE OF STOCK CARS—GOVERNMENT ACTION

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Transport or the acting Minister of Transport. It relates to an extreme railway stock car shortage in western Canada during the peak shipping season of calves to Ontario. In view of the results of a personal survey of this situation conducted yesterday, indicating severe shortages of stock cars sufficient to further depress the western calf market, and in view of serious delays in turn-around time for these cars which in turn is related to a cleaning bottleneck in Toronto, will the minister use his good office to inquire into this serious stock car shortage and take whatever steps are necessary to help prevent a further depression of our calf-market in western Canada?

[*Translation*]

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Mr. Speaker, we are now in the process of studying the situation and I trust that some time next week we will be able to follow the suggestion of the hon. member.

[Mr. LeBlanc (Westmorland-Kent).]

[*English*]

SHIPPING SERVICE TO NORTHERN BRITISH COLUMBIA—NATURE OF RESERVATIONS OF RESIDENTS OF AREA ABOUT NEW SYSTEM

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is to the Minister of Transport. In his absence, I will direct it to the acting minister, the Minister of Justice. It arises out of the minister's announcement of what he called "improved shipping service to northern B.C.", an improvement which will rely on barges and aluminium hulled boats. The minister in his statement said that the three coastal members of parliament from Coast Chilcotin, Comox-Alberni and Skeena assisted in developing the plan. He acknowledges that "some residents of the area have reservations about the new system". I ask the minister what kind of reservations the residents of the area have about the new system and do the three Liberal members of parliament he mentioned give their full support to the new arrangements?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think it would be—

An hon. Member: Read the Vancouver *Sun* and see what they have to say.

Some hon. Members: Hear, hear!

Mr. Friesen: I have a supplementary question, Mr. Speaker. If, as the minister says, this arrangement will mean an improvement in services and that he has studied the problems thoroughly as he has suggested, why did Mr. Campbell of his department just two days before these very arrangements were announced see fit to call Northland Navigation and ask them whether they would continue service if the subsidy were reinstated?

Mr. Basford: Mr. Speaker, in line with the practice which has been explained many times, I was delighted to see the House leader of the official opposition confirm that practice of asking the parliamentary secretary questions this morning. Questions with regard to transport are being answered by the Parliamentary Secretary to the Minister of Transport. Speaking for the three members of parliament mentioned, they have been doing and will continue to do an immensely able job as representatives of their constituencies.

Some hon. Members: Hear, hear!

* * *

● (1200)

ENERGY

MEASURES TO INCREASE CONSERVATION—GOVERNMENT POSITION

Mr. Stan Darling (Parrry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In view of a report from the International Energy Agency that in terms of curbing rates of energy demand

growth Canada had results below average when compared with other IEA countries, will the hon. gentleman tell the House whether he plans to give home-owners further incentives to retrofit insulation beyond the minimal measures announced thus far?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I was very interested in the report of the International Energy Agency, as I know the hon. member was. I wonder whether he noted that the main criticism levelled at Canada was that our price was too low.

Mr. Darling: Would the minister kindly answer my question, and also the supplementary: in the light of the fact that other countries, such as Japan, have been almost twice as successful as ourselves in curbing their rates of energy demand growth, will the hon. gentleman heed the agency's stricture that our transportation and industrial conservation programs need a good deal of strengthening?

Mr. Gillespie: We have taken a lot of measures with respect to conservation. We have removed the sales tax from insulation materials. We have taken steps to devise mandatory standards which will lead to a reduction of the amount of gasoline used by automobiles in Canada; we have embarked upon a whole series of measures which I would be happy to describe to the House again on another occasion. With regard to the whole question of standards, and particularly with regard to the question concerning incentives to retrofit, I can tell the hon. member that the National Research Council is presently carrying out a massive study in this field. We shall shortly be publishing new standards and I very much hope the provinces will adopt those standards, because responsibility with respect to insulation standards clearly rests with the provinces.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF FRANCE GRANTING COMPENSATION TO MR. McTAGGART FOR ILLEGAL BOARDING OF "GREENPEACE"

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Following his return from France I am sure the House is interested to know whether he is continuing the position of his predecessor in espousing the case of David McTaggart in his long struggle for compensation from the French government in respect to the illegal boarding of the *Greenpeace* during atomic testing in the Pacific. Could the minister advise the House whether he made any representation with regard to McTaggart's case and, if he did, would he tell us what response he received from the French government? Is there any hope that compensation will be paid?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): I did raise the issue with the foreign secretary of France. He and I agree, as I believe, incidentally, does the gentleman in question, Mr. McTaggart, that an out-of-court settlement of some kind would be the most appropriate and least time-consuming. I again reaffirmed our desire that a settlement should be made. The foreign secretary indicated to me that he would be in touch with me again in the next little while—he did not give me a time span but I would expect within two or three weeks—outlining the French reaction to my latest submission.

Mr. Leggatt: Was there, during this discussion, an indication from the French government that they intended to intervene by granting compensation rather than allowing the matter to continue to drag through the courts?

Mr. Jamieson: I think that was precisely the point I wished to make with the foreign minister and believe I succeeded in the sense that he did indicate that dragging on this matter in the courts was not the most suitable way of dealing with it. This conclusion having been, more or less, reached, he then said they would make some offer or some response to us. I must qualify that. He did not say "an offer", a response to us within a short time.

Mr. Gillies: I rise on a question of privilege, Mr. Speaker. My question of privilege arises from the answer given me by the Minister of Energy, Mines and Resources and has to do with the right of members of parliament to be informed about major activities of the government of Canada. The minister is, as everyone knows, responsible to parliament for the National Energy Board. It seems to me that when decisions of the National Energy Board are of great importance to all Canadians, it is the responsibility of the minister to get reports from the National Energy Board and bring them to parliament—

Some hon. Members: Hear, hear!

Mr. Gillies: —so that issues of this significance can be debated. The report talked about today is one of great significance. That sort of information, that sort of report, should come to parliament first so that members of parliament may be able to respond to any statements of such importance.

The question I raise and would ask you to rule on, Mr. Speaker, is whether or not members of parliament have a right to be informed of important activities that are administered through an agency of the government in cases where a minister sitting in the House has the responsibility for reporting to parliament on those issues.

Mr. Gillespie: I would ask the hon. member for Don Valley to go back and read the "blues" and take a look at the question he put to me. If he were to do that, he would find he has no question of privilege. He asked me a question and I gave him a straight answer. I think he couched his question in a very poor way. If he had asked me whether I would be prepared to table a report, my answer would have been yes. I am prepared to table that report at any time. The question concerned the announcement of a decision by the National Energy Board. I gave him a straight answer to that question. I shall be pleased to table the report, and I shall do so at the first opportunity.

Mr. Speaker: A question of privilege has been raised by the hon. member for Don Valley. As is often the case, it involves a very important grievance which I am sure many of us regret cannot find correct expression under the somewhat strict procedures governing privilege. Many of us would look for an opportunity for legitimate grievances of this sort to be raised without having to be couched in the guise of a question of privilege. On the other hand, I think everyone recognizes that this important grievance does not, strictly, fall under the definition of a question of privilege and, indeed, no motion is attached which would demand action by the Chair.

[*Translation*]

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, yesterday the Minister of the Environment (Mr. LeBlanc) promised me that today he would answer the question I put to him about the tanker which recently roamed about in the waters of the Strait of Juan de Fuca. I would like to know whether the minister is now willing to do so.

Mr. Speaker: Order. For the second day in a row I gave the floor to the hon. member for Esquimalt-Saanich during the oral question period this morning. Unfortunately, the question period is now over.

[*English*]

Mr. Lawrence: Mr. Speaker, I would seek the unanimous consent of the House to present a motion allowing the Minister of Energy, Mines and Resources to table the report of the National Energy Board which I understand is to be released at 12.30 in any event.

Mr. Speaker: One of the forthcoming items under routine proceedings will permit that to be done, if it is the minister's intention.

Mr. Friesen: Mr. Speaker, yesterday's *Hansard*, at pages 760 and 761, records a question asked by the hon. member for Winnipeg North Centre in which he was seeking the names of acting ministers and second acting ministers in each department of the government. The parliamentary secretary then proceeded to give the House a list of acting ministers.

The question I raised today was intended for the Minister of Transport. In his absence, I directed it to the acting minister. I thought it very fortuitous that in this case the acting minister was affected by the very question I raised, since the matter of shipping is also of interest to him: his riding is Vancouver Centre. However, before he could answer—and I give him credit for rising to answer my question—the parliamentary secretary cut him off at the pass and gave us a departmental answer. I would be very interested to know what the Minister of Justice would have said today in response to my question. Since the question was directed to the acting minister, I do not see why the parliamentary secretary should have the right to cut him off.

● (1210)

Mr. Speaker: Order, please. With respect to the point of order raised by the hon. member for Surrey-White Rock, the acting minister did in fact get the floor and indicated in response that he had arranged that the minister's parliamentary secretary would answer the question. He then attempted to add a further remark, which was not accepted as being procedurally correct by the Chair at the time. However, the minister did make a response and indicated that from an informational point of view the answer would be given by the minister's parliamentary secretary. From a procedural point of view, I cannot find a valid point of order against that practice.

[Mr. Gillespie.]

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF PRESS RELEASES RELATING TO 200-MILE EXTENSION OF FISHERIES ZONE

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, as I undertook to do during the question period, I should like to table copies of the Canadian and United States press releases relating to the announcement on the extension to 200 miles of the fisheries zone.

Mr. Speaker: Tabling of documents.

Mr. Paproski: Come on, Gillespie, table the document or make a statement.

Mr. Gillespie: Mr. Speaker, with the agreement of the House I will be pleased to table it when I have the document in front of me. I do not have it right now, but if there is agreement and an order can be made, I will table it later this day.

Mr. Speaker: Is it agreed that the minister will table the report of the National Energy Board later this day?

Mr. Lawrence: Mr. Speaker, on a point of order, instead of tabling the document, would the minister be good enough to make a ministerial statement on the matter?

Mr. Speaker: Order. Is it agreed that the minister shall have leave to table the report later this day?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed, and so ordered.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Donald S. Macdonald (Minister of Finance) moved for leave to introduce Bill C-22, to amend the statute law relating to income tax.

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

* * *

PUBLIC WORKS

PETITION RESPECTING LES TERRASSES DE LA CHAUDIÈRE PROJECT

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the third report of the Clerk of Petitions, stating that he has examined the petition presented by the hon. member for Capilano (Mr. Huntington) and finds that it meets the requirements of the Standing Orders as to form.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that all questions be allowed to stand.

Mr. Speaker: Is that agreed?

Mr. Beatty: Mr. Speaker, I wonder whether I can bring to the attention of the parliamentary secretary the fact that a number of us had questions on the order paper in the last session which died when the session ended. Those questions were sitting for several months on the order paper for last session, not counting the summer recess, and have been refiled. Would the parliamentary secretary undertake to get a speedy answer to those questions which were refiled in the same form in which they were on the order paper in the previous session?

Mr. Goodale: On the point of order, Mr. Speaker, I am very pleased that the hon. gentleman has raised this matter in the House. A number of questions were, indeed, left outstanding on the order paper as the previous session of parliament concluded. As the House will recall, in the final hour of that session the government had a considerable stack of questions answered which could have been dealt with in the normal way in the House of Commons, or tabled. However, the hon. member for Leeds refused the necessary unanimous consent to answer those questions in the House of Commons. The hon. gentleman and many of his colleagues across the way could well have had answers to those questions weeks ago had the hon. member for Leeds not refused the necessary unanimous consent to answer the questions in the fashion we proposed.

The net result is that these questions, some in the same form, others in different form, have been asked again and placed on the order paper. We are proceeding to acquire answers to these questions in updated form so that the information is as current as possible. If hon. members are prepared to accept outdated answers to their questions, we could give them old answers, but obviously they want current, relevant and up-to-date information. We want to give hon. members the best information possible and we are trying to do so as quickly as we can. I would also point out that because of the action of the hon. member for Leeds, the taxpayers of Canada will be put to additional expense.

Mr. Paproski: You are just stalling.

Mr. Speaker: Is it agreed that all questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

Hon. Robert K. Andras (President of the Treasury Board): moved that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Mr. Speaker, in opening the debate on second reading of the bill, which is not a lengthy bill but a very significant one, I want to take the opportunity of paying tribute to my predecessor, who has now taken over the responsibilities of trade and commerce, for his performance and effectiveness during his regime in this portfolio, particularly in the area of expenditure restraint. This bill is important to that effort, of course.

As I move into a greater awareness of my responsibilities as President of the Treasury Board, I am beginning to realize fully the extraordinary competence with which my predecessor addressed the problems that he faced and which I now inherit. I shall continue to try to perform in the manner he did. I know that the shoes are big to fill, and I realize, based upon my experience as a "line-operating departmental minister", the difficulties of having to deal with one's colleagues and all sorts of meritorious suggestions for the improvement of government programs, policy and services, all of which, of course, also carry with them a dollar figure. The success of my predecessor has, I think, already been apparent and will be more apparent when the full fiscal framework story of 1976-77 is written. Indeed, I can confirm now that he will have been able during his period of the fiscal year to meet his commitments on the kind of restraint figures that he announced in this House.

One of the government measures required to complete that story is passage of Bill C-19. Last December 18, as one of the many steps the government was taking to bring inflation under control, certain reductions in planned government expenditures for the fiscal year 1976-77 were announced. These reductions were categorized as deferrals of planned expenditures, elimina-

tion of planned expenditures and elimination of activities. I should like to give some examples of reductions in expenditures. As the House knows, we moved to freeze the salaries of the members of this House, members of the other House, of all judges of the Supreme Court, judges in the Federal Court and provincial superior courts, as well as public servants in the higher-salaried categories. We shall also terminate the program known as Opportunities for Youth and the agencies known as Information Canada and the Company of Young Canadians. This bill contains authority to eliminate in the year 1976 the indexation of family allowances, and also to defer or reduce loans to Crown corporations or require them to obtain their funds from the commercial sector.

● (1220)

The total reduction in planned expenditures for these and many other items was about $1.5 billion, of which slightly more than half is reductions in budgetary expenditures, the remainder being reductions in non-budgetary expenditures. Had these reductions not been imposed, the main estimates which were tabled in the House on February 18, 1976, would have been about $1 billion higher than they were and the capital budgets of Crown corporations, which are approved by orders in council and also tabled in this House, would have been about $500 million higher. The levels of expenditure for some of the items involved in these reductions are regulated by specific provisions in certain acts of parliament. Of course, to effect the reductions it is necessary to amend those provisions.

Hon. members will recall that this bill was first introduced—that is, given first reading—last March, but was not proceeded with prior to the summer recess, or the end of the previous session. Consequently, the bill, with minor revisions, was given first reading again a few days ago, on November 1. The revisions relate to the effective dates for certain amendments. The purpose of the omnibus legislation now before hon. members is to provide the authority necessary for enabling certain planned expenditure reductions to be made. I will try to itemize the intent and major provisions of the bill, although I think most of them are familiar to hon. members.

The bill would amend the Adult Occupational Training Act. Sections 7 and 8 of the act are being repealed and new sections substituted. This change is necessary to eliminate the present statutory requirement for an automatic annual escalation of trainee allowances which have been based, and are still based, on increases in the manufacturing wage index, and to substitute a provision which would permit the setting of these allowances by regulation, without reference to an indexing provision, subsequent to an annual review by the minister. This would come after reference of the matter to cabinet. Under the present act, training allowances are increased annually on July 1 in accordance with the increase in the manufacturing wage index for the previous calendar year.

Another clause of the act deals with the Company of Young Canadians. The Company of Young Canadians Act is to be repealed, and the provisions of the bill provide for the transfer of the Company's assets and liabilities to Her Majesty and for the Secretary of State to administer the closing out of the Company.

The Family Allowances Act, 1973, is to be amended. New subsections are being added to that act so that for 1976 the rates at which the allowance will be paid will be frozen at the 1975 level. It will be made clear that provincial rates for family allowances may be specified by provincial regulations. Other amendments are consequential to those measures, of course. Indeed, as some hon. members noted in the throne speech debate, the indexation of family allowances is planned to begin again on January 1,1977.

The bill will repeal the Industrial Research and Development Incentives Act. However, before that can be accomplished the act must be amended in order to end the period during which assistance is available for the support of the costs of conducting research and development and to provide that all applications for grants will be cut off as of December 31, 1976. The amendments provide that once the provisions of the act are fulfilled, it may be repealed by proclamation of the governor in council.

The bill also deals with Appropriation Act No. 3, 1970, vote 25 of Supply and Services. This vote was the legislation which set up Information Canada and the vote must be repealed so that Information Canada may be formally abolished. The bill also amends the Western Grain Stabilization Act. Section 41 of the act is being amended so as to authorize my colleague, the Minister of Finance, to postpone crediting amounts in the consolidated revenue fund to the stabilization account until a later date, at which time interest would also be credited.

Mr. Horner: I suppose farmers can postpone their payments, too.

Mr. Andras: Section 272 of the Railway Act is being repealed so as to remove the 1960 ceiling on rates for moving grain and the 1966 ceiling on rates for moving flour for export to an eastern port, and also to remove the subsidy paid to railway companies that allows them to move grain or flour at these rates. My colleague or his representative, the Minister of Transport or his representative, will be elaborating on some of the subsequent arrangements which have been discussed and negotiated for phasing out that program. I will not go into detail at this stage. I might say that several of my colleagues or their representatives will participate in the debate on this omnibus bill. Certain measures will be explained more satisfactorily by representatives of the particular ministry which has direct responsibility for the specific part being considered by the House.

The other elements of the expenditure reduction program announced on December 18 do not require legislation since they were authorized and fall within the scope of executive action. The bill before the House covers matters which require legislative amendment and has been brought forward for debate on second reading.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this bill as revised by the government has finally been presented to

the House. It was announced earlier last year. Since then there has been a change of minister and we now have a new President of the Treasury Board (Mr. Andras). The previous bill was a famous non-starter, although it was on the government's list of priorities for action prior to the summer recess. The previous bill was Bill C-87 which, if one ignores some differences in the last clause as to applicability, is essentially the same as the bill now before the House.

As the President of the Treasury Board mentioned, many aspects of a special nature will be dealt with by other ministers. Similarly, many of my colleagues have a special interest in particular clauses. Clause 14 has to do with grain stabilization; other parts of the bill deal with adult training, family allowances, etc. I am primarily concerned with the over-view of government spending and want to put in proper perspective this so-called restraint. Is this restraint? Is it cutting back? Is this cosmetic, or is it merely transferring expenditures from one account to another?

I am thinking of the cutting down of the adult training program. The result will be a greater drop-out rate among student trainees who will then have to go on unemployment insurance or social assistance. From the standpoint of the Canadian public, this is just a reshuffling of cards. There is no reduction in public spending resulting from restraint. We are told there is going to be a reduction of $20 million or so in the capital budget brought about by the elimination of cost of living escalations which are tied in with certain wage rate increases. The net result is that trainees who are at the real subsistence level will find, because of the change in the legislation, that they cannot make it, and will drop out. Then where do they go?

● (1230)

The program was designed to take them off the unemployment rolls. Instead, we will be paying them unemployment insurance, if they qualify, and if they do not qualify they will, unfortunately, have to resort to some sort of social assistance. Now there are more who will drop out and will resort to those two avenues of assistance, their only sources, in order to keep body and soul together. What is not realized, and what should be explained by the government, is that there is this coldly calculated treatment in dealing with people who are in trouble and are merely being shifted through another door. This is not dealing with the problem. It is not a restraint program in any way. It is merely a matter of shunting something to somewhere else where it can be lost. Nothing is being said about reducing payments to the Unemployment Insurance Commission in so far as the federal deficit is concerned.

When we look at the billions of dollars of federal government subsidies to the Unemployment Insurance Commission, one could say there is almost another $20 million which can be lost in those billions. That is precisely what is happening. What I would really like the minister to propose in this particular sector is improvement in long-term planning. The average vacancy rate, representing an actual loss to the manpower retraining scheme, has been in the nature of 17 per cent. In other words, the government of Canada, through its Manpower division, contracts for so much training time either with provincial institutions or others: there is a commitment which has to be met.

On the basis of 1973-74, the vacancy rate for the annual occupational training program was 17.1 per cent. The vacancy rate has not been reduced in the past few years. A vacancy rate of approximately 17 per cent indicates that the government is wasting in the order of $63 million in training time, as well as a comparable amount in training allowances. By an increase in the rates payable to adults receiving training allowances, the total cost of the program could increase but the net loss may decrease due to more individuals remaining for the duration of the program.

The government will not reduce the Canada Manpower budget unless it dramatically decreases its services to the general public and decreases the number of people receiving Canada Manpower training. The individuals now receiving Canada Manpower training require the upgrading allowed under this program, and any reduction in this portion of the Canada Manpower budget will lead to too many unnecessary hardships to individuals who can least afford it. As I pointed out, their only alternative will be to resort to unemployment insurance if they are qualified, and if not qualified, to fall back on social assistance.

The provinces are paying half the social assistance and the government of Canada is paying the other half. It is the little man, the Canadian taxpayer, who wants to see restraint or reduction in government spending programs, because he is the man standing there now with his pockets wide open and empty. Why? I should like to quote from a very authoritative publication, one to which I have resorted on many occasions, *National Finances*, which is compiled annually by the Canadian Tax Foundation. I will point out the change that has occurred in the past decade, taking into account inflation, the increase in population and the increase in economic activity. Table 2-8, which appears at page 15 of the 1975-76 issue of *National Finances*, indicates that in the decade 1965 to 1974, inclusive, the share of total government revenue, expressed in percentage of gross national product, went from 30.3 per cent to 40.4 per cent.

We do not yet have the figures for 1975, but the public sector—that is, the productive sector of the country—says that the share of the gross national product which has gone to governments, municipal, provincial and federal, in either direct or indirect taxes has increased by one-third in a decade. We started out with 30.3 per cent, and finished with 40.4 per cent, an increase of 10 percentage points in GNP. Over a decade, that means an increase of one-third. That is part of the problem in Canada. That is part of the problem of inflation contributed to by the federal government of Canada. Many factors lead to inflation, but government unrestrained spending is one of the most serious ones.

● (1240)

In the past decade we saw the pile of resources produced by Canadians, goods and services which have become available to the public sector to spend, go up by one-third. Now we have to sit back and examine the totality of these programs. It is something that we can expect to see in the next ten years. If that rate of expansion of public expenditure continues, we will remember the rate of increase of public expenditure, of GNP, will have been 33 per cent, or one-third, in the past decade. Let us assume that that rate of increase in expenditures continues over the next decade—and there is nothing to suggest that it will go down—then I suggest the word "restraint" may not be applicable. If we go a further third in government spending, we will see that by 1984, eight years from now, almost 54 per cent of the Canadian GNP will fall into the realm of public expenditure.

I am dealing with the rate of increase. If it goes over from one decade to the next without a reduction—in other words, if no restraint is applied—then I suggest that is a possible perimeter of the level of the GNP which the government will take. I strongly assert, and I think the Minister of Finance (Mr. Macdonald) would agree with me, that that would create problems in this country, particularly on the question of investment of capital in productive resources and the rate of return on invested capital which is the greatest stimulant to further investment. For either the renewal of productive resources or the development of further productive resources this would create problems.

Let us consider how the government of Canada will spend its money in 1976 and how its expenditures are projected for 1977, because we now have the estimates before us. I will ask leave, when I complete my remarks, for this table which is compiled from the estimates and the supplementary estimates to form part of the record of today's proceedings. The table was compiled by the Canadian Tax Foundation and I accept responsibility for it. I can table it or read it in its entirety. I ask leave to table it as an appendix to today's *Hansard*, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The document, not being an official document, cannot be tabled, but it can be attached as an appendix to *Hansard*. Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: For table referred to above, see Appendix.*]

Mr. Lambert (Edmonton West): I thank hon. members for their consideration; it will make examination of the program that much simpler. The 1976 estimates provided that interest on the public debt be $3,930 million, or 11.3 per cent of federal expenditures. However, in 1977 interest on the public debt will have gone up by $720 million to a total of $4,650 million, or 12.1 per cent of total government expenditures. Under the heading of National Health and Welfare there is to be—this includes old age security, GIS, spouse's allowance, the Canada Assistance Plan, hospital insurance, medicare, family allowances, the health resources fund, and miscellaneous—an expenditure of $9,886.7 million, or 28.5 per cent of the federal expenditures. In 1977 that total will have gone up to $10,881 million, or 28.3 per cent. However, the government of Canada's contribution to the unemployment insurance fund in 1976 is estimated to be $890 million, or 2.6 per cent, but—and this may startle hon. members—the government examines all its factors and says that for 1977 it expects that contribution to be $1,700 million, almost double what it was in 1976, for 4.4 per cent of total government expenditures to meet the deficit in unemployment insurance.

[Mr. Lambert (Edmonton West).]

I do not have to go through all the other figures, such as figures for national defence, which are more or less static, unconditional transfers to provinces, which are more or less static; oil compensation payments, with a gentle lowering; manpower training and service allowances, which are static; payments for post-secondary education, which are being frozen and are therefore static; and the bilingualism program, which is also relatively static. The figures for transport are static, including air, water, railways and roads, and others; public works and programs, which is a very small item; and the Post Office, which is going from $896.5 million, or 2.6 per cent, to $1,122 million or 2.9 per cent; Indian Affairs and Northern Development—this is a strange priority—remains static; and agriculture and grains go down.

Mr. Towers: Naturally.

Mr. Lambert (Edmonton West): They go down from $957 million to $862 million. Under miscellaneous there is an increase of $600 million, but the percentage is about the same. The total budgetary expenditure at the federal level for 1976 will be just $34.691 billion. In 1977 it is estimated to be $38.417 billion. We here cannot answer for, control or influence the level of provincial expenditures, but if we are talking about restraint in spending programs and the philosophy of government spending programs over-all, I want to reassert what I said earlier about the percentage of gross national product which goes into the public sector: it is a frightening picture. It could be that some of our colleagues in the New Democratic Party will say that it is a glorious picture for them, but the public sector is not producing that GNP.

● (1250)

I want to discuss an area in which we have to re-examine levels of expenditure. The provinces have a clear ride in this area and there is no accountability to the money market. They have accountability to their legislatures for their spending programs, but the money market is something which says where you can get your money. The provinces have the ability to go to the Canada Pension fund and to borrow right up to their level of contributions less a proportion for administrative expenses, but then we see that they are not paying interest. They are supposed to be paying some interest in cash to the Canada Pension fund, but they are not. There is no transfer back from the provinces, though they would have to do so if they were floating bonds on the market among their citizens.

They have been permitted to capitalize their interest payments to the Canada Pension fund; in other words, issue more provincial bonds. That will be all right until 1982, when the cash contributions from the John and Jane Citizens of this country will not cover the payout and there will have to be some realization of assets of the fund in order to cover the payout. There is a day of reckoning, but I suggest that no provincial administration, under this system, feels any restraint because it knows that its citizens are taxed in an indirect way under the guise of the Canada Pension Plan and governments make no contribution to the fund other than as employers.

This money, then, is taken out of the hands of the citizens of a province and sequestered into a fund which is immediately turned over to the province, and that is a source of income. I suggest that instead of starting from square one in finance, the responsibilities of the provinces start from square ten because there is no accountability to anyone with regard to that money, particularly not the money market. If a province had to justify expenditures against its revenue capabilities, the money market would soon tell the provincial treasurers and cabinets where they were overspending. This is very serious and we will have to deal with it. Is the government of Canada and the governments of the provinces serious about their restraint programs, or are they merely shuffling cards?

My colleagues will examine this program, as laid out in Bill C-19, in great detail. I suggest that there is not very much in the bill as far as restraint is concerned. As I said, a good deal of what is contained in the bill is a matter of shuffling cards from one program into another program which is not very readily identifiable. We will examine this bill in detail. I think there will be a long debate on this bill. It merits close attention, although individually the items themselves have not very much import, with the possible exception of clauses 14 and 15. After all, stabilization is merely a postponement of payments; the payments will still have to be made. This bill requires very careful attention. We should be able to analyse the real intent of the government with regard to its restraint on the rim of public expenditure, and I suggest that we must come to grips with the rate of increase of public expenditure.

May I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

ENERGY

TABLING OF REPORT OF NATIONAL ENERGY BOARD

Mr. Deputy Speaker: Order, please. Hon. members know that an order of the House has already been made to allow the Minister for Energy, Mines and Resources to lay on the table a report of the National Energy Board. The parliamentary secretary to the minister is ready to do so at this time. I recognize the parliamentary secretary.

[*Translation*]

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, on behalf of the Minister of Energy, Mines and Resources (Mr. Gillespie), I have the honour to table the report of the National Energy Board concerning demand, in accordance with the National Energy Board Act of the Quebec Hydro Commission.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I shall not detain the House much longer, having made most of my remarks. I wish to draw the attention of hon. members and the public at large, however, to one of the areas in which I feel the government has been extraordinarily shortsighted with regard to the application of this so-called restraint program.

Prior to one o'clock I spent a good deal of my time indicating just how large a chunk of the gross national product the government of Canada was taking. We have seen reports almost ad nauseam in number and in content about the difficulties Canadian industry, Canadian trade and, in fact, the whole Canadian economy is facing at the present time with regard to reduced productivity, our difficulties in selling abroad, our fantastically high wage rates compared to our competitors, and our extraordinarily high unit costs.

When you come down to it—and I do not care whether it is a raw product, a basic resource material, semi-processed, or the most sophisticated piece of machinery equipment or consumer goods—if the price that has to be paid for the continuing production of the commodity is too high for the market,

then that is the end of the road. In so many commodities today we have reached the end of the road unless we mend our ways. What are the areas in which Canadian industry, Canadian labour and Canadian government can participate jointly, freely and with enlightened self-interest in each sector? Is it the encouragement and the development of Canadian industrial research? We cannot stand still, Mr. Speaker. What do we see in this bill, however? What is the area in which restraint should be applied? Is it a total wind-down of government assistance in this particular form to industrial development and research?

● (1410)

I suppose that from the bureaucratic point of view there is something to commend this type of close-down. We know all too well that in the insular shell of government administration there is one principle that applies with agonizing repetitiveness. That is, "Not invented here". In other words, we did not think about it, we did not work on it, we did not develop it, and therefore it is no good and should not be allowed. It is a human trait, I suppose, but "Not invented here" or "NIH" has a terrible influence within government administrative circles. The burden is on the minister to indicate that the cost benefit usefulness of this program is wound down; that it is completely taken out of circulation as of December 31 this year. To that extent I put the minister to the proof and I suggest it will likely be the Minister of Industry, Trade and Commerce (Mr. Chrétien) who has responsibility for this program.

I do not think the government has made its case with regard to imposing restraint, certainly not restraint in the way I spelled it out. There has been imposed on the government, by its self-discipline, the principle that the rate of increase in the gross national product that is being taken by the government shall be reduced. I have said, and I am sure my colleagues will point it out even more clearly, that this program is just a shuffling of cards. Certain programs that may have a certain identity are cut out and then shuffled to unemployment insurance or here or there. To that extent, the burden of proof is on the President of the Treasury Board and his colleagues. The ministers will defend the particular points put forward in this bill. It is certainly not incumbent upon the opposition to prove that the government is wrong in putting forward the bill in this particular form.

I invite my colleagues and other members of the House to participate in this debate because it goes to the fundamental basis of what this country is going to do in the next ten years.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, in many ways Bill C-19, restraint of government expenditures, should be subtitled "a Tory conversion bill". It contains a whole package of measures for which the Progressive Conservative party has been asking a long time. It shows the kind of trouble that Liberal governments get themselves into when they do not have the NDP around to kick them in the shins once in a while. As long as we were around and they were in a minority position, we could kick them in a progressive direction. However, the terrible misfortune of a majority government befell them in the last election. Therefore, they do not have anyone to straighten them out from time to time and they tend to respond to the blandishments of the Progressive Conservative party in their posture of restraint. It would not be so bad if my friends to the right were grateful, but they are not. They are not showering the government with any laurels for this bill. I think of one item in particular.

During the last campaign, the Conservative platform was strongly loaded in the direction of cutting back government expenditures. We asked the Conservative candidates what kind of government expenditures they would cut out. We asked whether they would cut out family allowances or old age pensions. To their credit, they were in favour of family allowances and old age pensions. As it turned out, the only thing they would only cut out was Information Canada. Information Canada was the great villain of the last election campaign. The government has cut out Information Canada in this bill. As I say, I see no gratitude on the part of my friends on the right. As a matter of fact, when the hon. member for Edmonton West (Mr. Lambert) spoke, he did not even have the courtesy of mentioning that Information Canada was one of the items being cut out.

Hon. friends to my right are all for getting rid of government programs. They say they want to get rid of useless government programs, not the good ones. However, it is always difficult to determine what they consider useful and what they consider useless. Let me give one example that was framed by the hon. member for Edmonton West in his address to this House. He seems to regret that the Industrial Research and Development Incentives Act is being cut out, despite the fact it is not being cut out because the government is trying to save money. My understanding is that they have not been able to give away any money under that act, so they might as well get rid of it. Our position would be that if you cannot encourage industrial development or industrial research with those kinds of provisions, you encourage it under some other provision. We are not going to fight in favour of keeping an item for which there is obviously no earthly use.

I listened very carefully, in the hope that I would get some advance support on a very important item that is being cut out. Of all things the government chooses to cut out in a year when people in Canada are experiencing great difficulty, they pick on family allowances. This is the great beast to which the government is going to apply the axe. I had hoped that some word in defence of the indexing of family allowances would have come from my friends to the right. After all, they were in favour of indexing. They wanted to index the Income Tax Act. Not only did they want to, but they were so successful that they persuaded the government to act in a Tory way and index the Income Tax Act, in spite of the knowledge that indexing income tax is of infinitely greater benefit to those who have a lot of money than to those who have not. They are in favour of indexing the Income Tax Act, removing hundreds of millions of dollars from the government. The way in which that loss of revenue will be made up is by depriving people who receive family allowances of the benefits of indexing.

That is a very nice trade-off, obviously one which we in this party cannot possibly agree with. However, in the criticism of this bill by my friends to the right, there was not a single word about what the government is doing with family allowances. That is particularly criminal with a measure of this kind, considering an ad that appeared in a morning newspaper placed by the Citizens' Coalition. It is a horrible ad and I do not agree with the conclusions, but there is an element of truth in it. The ad set out to attack the indexing of public service pensions. That was the whole purpose of the advertisement—to attack the idea of indexing civil servants' pensions, despite the fact that the indexing provision is part of the total passage on the basis of which salaries are negotiated.

● (1420)

What will make it difficult for this government or any other government to justify the indexing of civil servants' pensions is the fact that a decision has been taken to remove the indexing provision as it applies to family allowances. Before this decision was made we pointed out, when this question of the indexing of civil servants' pensions was raised, that old age pensions were indexed, that parliamentary allowances were indexed and that income tax allowances were indexed. We were able to point out that a broad range of people benefited from indexing, not just civil servants.

But what has happened now? The government has an instinct for self-destruction which is almost impossible to credit. It is in serious trouble now, yet it goes to great pains to make matters even worse. At a time when members of parliament are under attack for the indexing of their pensions, the government does away with the indexing of family allowances. Who benefits, in the main, from family allowances? It is true that some of them go to well-off people, but it is the poor, with large families, who benefit most substantially. We retain the principle of escalation as it applies to members of parliament and public servants, but we remove it in the case of people in receipt of family allowances. Aside from the unconscionable nature of an act of this kind, its stupidity cannot be overlooked. Yet not one word has been said by hon. members to my right condemning this effrontery toward recipients of family allowances, or criticizing the government because these people have been singled out to bear the brunt of the cuts the government believes to be necessary during a period of restraint.

I listened to what was said by the hon. member for Edmonton West about the way in which government expenditures are increasing. In fairness to him, the federal government, whose share of the gross national product has increased, if I remember the figures he used correctly, from 30.3 per cent ten years ago to 40.4 per cent today, was not his only target. He deplored that increase. I wonder what the comparable figures for the hon. member's native province of Alberta would be, because in that province the increase in government revenues has been phenomenal. Who is paying this tax which accrues to the coffers of Alberta? Other Canadians. I am not implying that Alberta is being unfair; the province is not charging the world price. We have been able to persuade Alberta, by one means or another, to keep its price below the world price. But be realistic. What we are seeing here is a transfer of income from one group of Canadians to another.

Would the hon. member propose that this accidental increase in the price of oil, this increase which has nothing to do with the skill or intelligence of the oil companies, should all go to the credit of those companies? His figures would then look somewhat better, and instead of saying that over the last ten years the federal share of the GNP had increased from 30 per cent to rather more than 40 per cent, he would be quoting a final figure of, say, 38 per cent because the other 2 per cent had gone into the pockets of the oil companies. I make these comments to illustrate how ridiculous it is to use figures of this kind when comparing the proportion of the gross national product taken by the public sector as against the private sector, without directing attention to the use being made of these moneys.

If, for example, the share taken by the private sector was unusually large and it was being used for frivolous purposes, would that have been satisfactory? If the share taken by the public sector was used, as it is used, in supplying hospitals, education, medical services, and so on, is that bad; or if it is used to make oil compensation payments for the benefit of people who live in one part of Canada as opposed to another. I am sure the hon. member for Halifax (Mr. Stanfield)—who I see in his place—is concerned about the difficulty in which oil consumers in his province now find themselves and what would be likely to happen if those compensation payments were reduced or removed as the government is threatening.

Is the expenditure we are talking about so terrible, or is it merely a reflection of the fact that we are living in a society which has become somewhat more sensitive to the needs of particular groups of Canadians, to the need for sharing? As the percentage of government expenditure increases by comparison with private expenditures, what really happens is this: a redistribution of income is taking place in a manner different from the way in which redistribution is brought about in the marketplace. Most people, I believe, would agree that the redistribution which takes place through the government sector is considerably fairer and, very often, more useful and more humane than the other approach.

There is a perverse logic to Bill C-19. It is difficult for me to look at the title without feeling anger. The title is "Restraint of government expenditures". The reverse logic is that there are a number of government programs involving both expenditure and taxation which have proven to be both costly and ineffective. Yet there is not a word in the bill about the cancellation of those programs.

Let me refer to the accelerated depreciation allowances which are now part of the Income Tax Act, or to the provisions for the reduction of corporation taxes which are now part of that act. When these measures were introduced, we were told they would increase employment opportunities. That was the argument advanced in justification of those measures. While this meant that personal income tax payers would have to assume a heavier share of the burden of being citizens of

Canada, that was the reason given. What are the facts? What does the record show? Almost from the day these measures were brought in, unemployment in Canada has been increasing, until today the unemployment figure has reached almost 700,000, the highest since the great depression. Where are all these give-away programs, these billions of dollars in forgone revenue designed by the government to create employment? Despite these programs, investment is at a new low. The companies who received these benefits were asked to comment and state the extent to which they had been able to increase employment as a result. The answer was that it was negligible: employment was not increasing as a result of these benefits.

● (1430)

If you want to exercise restraint, Mr. Speaker, you should look at programs that have proven to be ineffective, and cut them. But no, the government uses a different logic. If you dispensed with indexation of family allowances, this would save the government $230 million a year. Those who have examined the economy of this country have pointed out that one reason Canada has had a less severe recession than the United States is that consumer purchasing power has been maintained. Family allowances and indexed family allowances are part of that purchasing power and have contributed toward saving us from an even worse recession than the one we are now experiencing. This is not true of the example I gave of the corporate tax benefits, yet this is the program that is being cut.

Take another case of perversity. I can understand the government's cutting out Information Canada; it had to make a response. This was the great bête noire of the Progressive Conservative party, and since it is now government policy to try to outdo the Tories and be more Tory than the Tories, it had to get rid of Information Canada. It is not that anyone really believes that this will do much good, or that this is a real cut, or that the expenditures made on Information Canada will not be made in some other department or area, or that some other functions that were performed by Information Canada will not be performed in some other area.

Let me go to one other item, the Company of Young Canadians. This is being cut. I know it has been a very controversial body, but it was designed to be controversial. When the CYC was set up, it was designed to be a trouble-making organization; it was designed to be anti-establishment; it was designed to stimulate activity. You cannot do this without making some mistakes.

Mr. Knowles (Winnipeg North Centre): It was designed to afflict the comfortable.

Mr. Saltsman: It was designed to afflict the comfortable. My hon. friend still retains some of that fine biblical language that did him credit in his earlier years. To afflict the comfortable is a good thing to do, and the Company of Young Canadians did it. We are going on a great, big budget-cutting kick. We are going to save money out of some $35 billion. What is going to be cut out?

Mr. Brewin: They are not going to cut out the Orion.

[Mr. Saltsman.]

Mr. Saltsman: That is right, they are not going to cut out the Orion. They are going to take $3.7 million from the Company of Young Canadians. I do not want to get into the bad habit of some former Liberal cabinet ministers and ask, "What's a million?" or "What's $3 million?"

Mr. Knowles (Winnipeg North Centre): And they cannot say it's peanuts any more.

Mr. Saltsman: They cannot say it's peanuts any more, either, because that would be a sort of international insult. It is getting tougher and tougher, Mr. Speaker, to make a speech with all these limitations being placed on a person. The Company of Young Canadians did, I think, a remarkable job with that kind of budget. Their budget was pared from the previous year's budget of $5.9 million in 1975-76, which was a little more than the budget of 1974 and 1973. They employed persons of an age and category who represented the most difficult challenge to employment. Among the young people of Canada the rate of unemployment is at least twice as high as that of other groups.

To what extent, Mr. Speaker, is this going to be a real saving? We are cutting out $3.7 million, or $5.9 million, depending on which year's budget you are looking at. But how much will be a real saving? These kids were operating at barely above minimum wage, and considering some of the hours they were putting in, they did not even get minimum wage. It is not as if there is alternate employment for them. If we had an economy that was fully employed, or if we had a tremendous labour shortage, we could well say that this was a direct saving because these people could work somewhere else and thus save the federal budget money. But this is not going to happen, Mr. Speaker. There are far less than 100,000 jobs available for the 700,000 people who are unemployed, so at the very best, using outside figures, the prospects of a young man of this sort finding employment are 1 in 14. Even though 1 in 14 may find employment, the others will have to be sustained, probably by unemployment insurance or some other kind of support program. So what is saved by this kind of magnificent gesture? However, what is lost, Mr. Speaker, is significant. What is lost is a group of young idealists who did an effective job. It was not a job with which I always agreed. As a matter of fact, on many occasions I was critical of some of the work they did. Nevertheless it was one of the most idealistic and activist groups that we had in this country. We could not stand it; we had to kill it off in the name of budgetary restraint—I suggest a false name indeed.

Although some of the cuts in the bill had to be made because the funds were not being used effectively, the CYC was effective. It was not costing us a great deal of money. Nevertheless, the government had to put a package together; it had to show it could out-Tory the Tories on this, and this is the result.

To look upon a bill like this as some kind of solution, or even a part solution—I know the government is not claiming that it is the only solution—to the problems afflicting our society is a disgrace. Although these cuts are being made, the Minister of

Manpower and Immigration (Mr. Cullen) is going to bring in the son of LIP, or the son of OFY, or perhaps even the son of CYC. The government are going to bring in another range of programs that perhaps will work under a different minister.

The Minister of Manpower and Immigration speaks of enlarging the job opportunities program. How many jobs are going to be created? Not very many. I am not going to knock the program because it does not create that many jobs. If it creates any jobs at all, it is worth while, especially with as many unemployed as we have in Canada. But what we on this side of the House fail to see is any real effort on the part of the government to tackle an unemployment level in this country that is disgraceful.

The Prime Minister (Mr. Trudeau) spoke in Montreal, I think the day before yesterday, and a report appeared in yesterday's Toronto *Star* headlined "People are not satisfied—and they're right: PM". The report goes on:

> Prime Minister Pierre Trudeau last night pleaded with Canadians to learn once again to trust government—despite its bungling.
>
> Trudeau told more than 1,300 businessmen at the annual convention in Montreal of the Federation of Automobile Dealer Associations that "before we can even begin to solve the problem of your business and our laws, we have to solve a much more basic problem—the understanding between government and the people.
>
> "People are not satisfied, and God knows they have cause not to be satisfied in our country—the way we've bungled things.

● (1440)

I do not condemn such public soul-searching, but there is reason for the present lack of confidence. The Prime Minister's admitting that the government has bumbled is no disgrace. From time to time all governments bumble. But not meaning what he says, that is the disgrace. If the Prime Minister means what he says, if he has really concluded that the government is not performing as it should, we should see evidence of his concern. But there is no such indication. We only see a tendency on the part of the government to run scared to death of polls which show the Progressive Conservative party rising in the public esteem. When this happens, the Liberals traditionally say, "Let's look for someone else's clothes on the clothes' line. We don't like the NDP clothes; let's try on the Tory pants." Unfortunately, such clothes, such ideas, do not fit the Liberals very well; they do not fit the Tories well, either. That is the bumbling Liberal way for solving these dilemmas and, not surprisingly, the situation remains a shambles. The government still does not know how to curtail unemployment.

Mr. Knowles (Winnipeg North Centre): Tory pants could turn out to be bloomers.

Mr. Saltsman: If the Prime Minister is sincere in what he says about this government's bungling and wants to change things, he must act positively. Incidentally, I should like to address my remarks particularly to the Minister of Manpower and Immigration who is present in the chamber and has said some of the things I am about to say. If we are worried about our future, we must be concerned about the present. We know that in the long run unemployment will go away, but I do not like to join John Keynes in what he says about the long run.

We need to solve this country's unemployment difficulties soon. At present there is unemployment, and some time in the future we shall face a labour shortage. Surely the government will not wait to act until that future shortage develops. If it waits, it will encounter problems as severe as those it faces today. It seems to me, since fewer young people will be available in the society of the future to do our work, they will need to be exceedingly productive if they are to provide for themselves and those who are retired and are no longer in the work force a decent standard of living.

What am I saying, Mr. Speaker? We must do our best to curtail present unemployment. Many things in this country need to be done, and if we want to ensure a satisfactory future for our society they should be done. For example, factories need to be improved, railways need to be built, we need more storage facilities for grain in order to avoid present boom and bust cycles. We must create the infrastructure which will be needed in the future, and by so doing allow those who want to work the opportunity of working.

I say all this because the costs of unemployment are horrendous, in human as well as economic terms. Last year by reason of unemployment we lost more than $6 billion worth of goods and services. Tax revenues have been curtailed. In addition to individual contributions to the unemployment insurance fund of about $2 billion, the government itself had to spend $1.7 billion on the program. As well, the government paid about $2.3 billion for family support and welfare programs. This being so, I cannot understand why the government thinks it is cheaper not to be involved in public projects. Why is it on this kick of cutting government expenses? The inevitable result will be horrible losses in the gross national product or, putting it another way, a decline in the output of goods and services.

Apparently the government is cutting expenses for the cosmetic effect. The government is bowing to Conservative pressure. That will be the perceived reason for its action. Certainly, it cannot be defended in logic. The government will be seen as waffling back and forth. People will say that it is not sticking to traditional Liberal party programs; it is trying to be a shadow Conservative party. Therefore people will say, "If the Liberals want to be shadow Tories, we might as well move to the genuine article and vote Tory. We might as well have the real thing."

Mr. Knowles (Winnipeg North Centre): The Liberals do not have very far to go.

Mr. Saltsman: No, the party does not have very far to go. They have gone in that direction. The government must realize that if the society of the future is to be productive, we cannot afford to waste present-day resources. We cannot tolerate high levels of unemployment, and the government's failure to prepare for the future is, in my view, truly disgraceful. In conclusion, I fail to see the logic behind this bill. Since the government had the chance to evaluate the economy this past summer, it must have seen that conditions are becoming worse in fields of employment. Therefore, to maintain purchasing power it could have changed its mind on eliminating the

indexation of family allowances. As it is, members of parliament whose pensions will be indexed will find it difficult, if not impossible, to justify the government's decision not to index family allowances.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, although the President of the Treasury Board (Mr. Andras) said earlier that the government would cut expenditures by $1 billion in one area and by about $500,000 in another, it is difficult to believe, if one reads this bill, that the reduction in federal expenditures will actually be so great. The government is merely postponing expenditures. There is the suggestion that the 4 per cent federal share of the stabilization fund will not be paid in until it is needed. That makes a mockery of the federal government's previous assurance to farmers that the money would be there. Few farmers will have much confidence in this government.

As mentioned by the previous speaker, the Prime Minister (Mr. Trudeau) has urged the people of Canada once more to place their faith and trust in the federal government. How can you do that? In one session of parliament the government said that it would invest an amount equal to 4 per cent of gross sales in the stabilization fund and asked farmers to invest 2 per cent: it said, "We will double the amount you invest." Then in the very next session the government brought in a piece of legislation which stated that it would not put that 4 per cent into the stabilization fund. But we are to rest assured that it will be a bookkeeping entry and that the interest rate will be figured out on the books, and that if it is necessary to draw on that fund, the government of Canada will find the money somewhere.

● (1450)

Let us assume there is a huge reduction in the sale of grain, or that the price comes down substantially and the fund has to be drawn upon the extent of $1 million or $1.5 million. The government then would be tempted to do some accounting so that it would not have to come up with the money, particularly if it were after an election. If it were just before an election, the government would come up with the money somehow or other. This is the reason for the feeling of uneasiness and distrust which people have. It is to be merely a bookkeeping entry and there will not be any saving of money. It is merely a postponement. But through postponement the trust that the Canadian farmers are being asked to place in the government will be destroyed. The Canadian farmer is reluctant to join the stabilization plan because of the distrust of the federal government which they have had for years. There is ample reason for that distrust.

The bill goes on to deal with the Company of Young Canadians, family allowances and a number of other items. I should like to deal more particularly with the "at and east" rates which are being done away with in this bill, where it is merely stated that section 272 of the Railway Act will be deleted. This was a guarantee to the maritime ports, particularly the flour milling trade, that flour mills would receive a subsidy for export. Bill C-19 repeals section 272 of the Railway Act which provides a subsidy in respect of the export of grain and flour by Atlantic and east coast ports.

The shippers of the grain and flour had the right approach at the time these rates were made statutory. The Canadian Transport Commission ascertains the compensatory rate, and the government pays the difference to the railways. This is, therefore, an indirect subsidy to the shippers of the grain and the millers. Is it necessary? What is happening to Canada's trade in flour? It is all very well for the former speaker to talk about jobs and employment. If we mill the wheat into flour, this creates jobs in this country and I think it is important that we should do this.

The U.S.S.R. has told the Canadian government that we can very well lose the Cuban flour market if we raise the price of flour or change the flour subsidy. What does the Cuban flour market mean to the Canadian milling industry? It takes about 80 per cent of the flour we mill. This is very well known to the government. One wonders why the government would attempt to change it and save money in this regard, when this fact is well known. I suppose some speaker will tell us that the milling trade will be subsidized in some other way.

In the Railway Act the "at and east" rates are a statutory provision given in essence to the maritime and eastern ports. They are there. They are an assurance, a guarantee and a trust. One cannot build up the trust which the Prime Minister was speaking about, when we have a policy whereby a subsidy can be given to the millers in one year and taken away in the next. Here, again, I point out that the trust is being eroded in respect of the prairie farmers who have a grain stabilization fund. The trust is being eroded in respect of not only the eastern ports. One could continue to set out the whole matter. In the current calendar year, Canadian exports of flour to Cuba will probably represent something in the order of 375,000 metric tons. This will go to Cuba under an agreement made in 1963. The Cubans receive the flour and Russia pays for it. The transaction was made in 1963 and has been quite successful for Canada since that time.

Canadian flour, however, is in competition with Common Market flour and United States flour. The European Common Market heavily subsidizes the export of flour to many of the underdeveloped countries. The United States does not subsidize the export of its flour, but it exports a great deal of flour in the form of aid programs such as public law 480. The removal of the "at and east" rates will increase the cost of Canadian flour by $15 to $20 a ton. This will place us in a very disadvantageous position with regard to maintaining the Cuban market.

Russia has told the Canadian government, through the Canadian Wheat Board, that if the price of our flour goes up too high, they will build flour mills in Cuba, buy our wheat and mill the flour themselves. What effect will that have on the situation in this country? It will not help the situation at all. What has happened in recent years in respect of the whole flour industry? The total world trade in flour has remained relatively constant over the past ten years, at something like five billion metric tons.

The Canadian share of the world flour market has drastically decreased. Ten years ago Canadian millers received something like 18 per cent of the world flour trade. Today that figure is down to 10 per cent even with the advantage of selling flour to Cuba. One must, of course, look at the whole flour industry to see what has happened. Back in 1956, for example, there were 78 flour mills in Canada, and today there are 39. That give one an idea what really is taking place in the milling industry. We are slowly shrinking in our ability to compete throughout the world because of the subsidies of the European Common Market in respect of the flour milling industry and because of U.S. shipments of flour in the form of aid to underdeveloped countries. Canada is not in a very good competitive position.

● (1500)

We should really reconsider Clause 15 of this bill and perhaps even delete it because it is of no advantage to the country as a whole. It does not save us any money, and the government is destroying a little more of the trust which the people have placed in government in recent years. We must try to build up that trust; we must try to build up markets and create jobs in this country.

As I stated, the volume of trade that is available to Canada as a result of the export of flour paid for by the Russians, shipped to Cuba and then distributed by Cuba as assistance to some of the African countries, has been beneficial to the Canadian grain industry, the Canadian milling industry, and to the Canadian ports. The Canadian Wheat Board has been told by the U.S.S.R. grain buying agency that if flour goes up in price, they will stop buying it from us. The agreement stands only as long as the at and east rates are left alone. I know that the Minister of Agriculture (Mr. Whelan) or the Minister of Transport (Mr. Lang) can rise in the House and assure us and the milling industry, with whom they have had many meetings, that they will be compensated in another way, but in my view this assurance will not be sufficient to ensure the continuity of the milling industry. You cannot modernize plants and improve their milling capacity on the sole guarantee of a year to year subsidy to a particular plant or port. Also, such a subsidy will establish a precedent. People will be asking themselves which ports will receive such a subsidy—will it be available only to the milling industry in Halifax or to the milling industry all across Canada? The government will have to wrestle with this problem once it grants such a subsidy.

There is also the big danger that if we subsidize the milling industry directly in, say, the Atlantic ports, then the United States, which can and have proven very effectively that they can compete with us—and they are not subsidizing their milling industry directly, although they are assisting it—may well retaliate and start subsidizing their milling industry, thus making if far more difficult for the Canadian milling industry to compete with them.

As we know, 80 per cent of our flour exports go to Cuba. If this bill passes we will be jeopardizing this substantial sale. Maintaining section 272 in the Railway Act and maintaining the Act at and east rates is the anwer. The section does not need to be changed, and it should not be eliminated. Millers know exactly what their situation is and they know whether or not they will get the subsidy from one year to another. Granting such a subsidy is a dangerous game. This is not the way to encourage capital expenditures. The milling industry cannot afford the risk of a change of mind by the government.

If the competitive position of Canadian flour is reduced by $15 to $20 per ton, the outlook is for an immediate reduction of exports to markets other than Cuba, and the reduction of exports to that market beginning in 1977, not somewhere down the road but in the very near future. It is more than likely that in the longer run Cuba will either expand its milling capacity and reduce imports to minimal levels, or else turn to other suppliers. The resultant loss of export markets will cause tremendous rationalization to take place in the milling industry and require the industry to close several mills.

As I said earlier, back in 1956 there were 78 milling plants in Canada; today there are 39. How much further can we retrench? We have already lost a large percentage of the world's flour market. Ten years ago we captured 18 per cent of it. The flour market has not shrunk, but our share of it has fallen. Today we are capturing less than 10 per cent of it, even with the record shipments to Cuba of 375,000 tons this year. In my opinion it behooves the federal government, in an inflationary period and in a period of high unemployment in regions of Canada where we have consistently had what one might call higher unemployment than acceptable, to do everything it can to maintain the industry instead of allowing it to be destroyed, something which may well happen as a result of the elimination of Section 272 from the Railway Act.

I know that the government will say that it will subsidize the milling industry directly, but the whole purpose of Bill C-19 is to reduce expenditures. If the government is to subsidize the milling industry directly, why do so through Bill C-19, the purpose of which is to reduce expenditures? One can believe that there is no real reduction if one has faith in the government, but one does not have such faith in the government, nor do the millers have it. They have no confidence that the subsidy will be maintained for any length of time.

It can be argued that, if a fixed subsidy is paid, the millers will tend to use the least costly routes. That is an old argument. One would like to think that the least costly routes are being used right now.

By passing this bill on second reading and sending it to committee we can assure the milling industry that a lengthy and careful examination will be given to this aspect of the bill, because we on this side of the House are mighty concerned with every part of Canada. Maritime members are and were violently concerned about the old bill, Bill C-87, and we thought we had successfully convinced the government to delete Clause 15 of the old bill. It was Clause 15 in the old bill, and it is Clause 15 in this bill. We thought that in the last session we had convinced the government to delete this aspect of the legislation. However, the government continues to

plough blindly on, insensitive to the wishes and concerns of the people of the nation, and wonders why it is so unpopular.

● (1510)

The Prime Minister goes across Canada bleating and asking people why they do not like him. People in every region of Canada do not like him because he has demonstrated insensitivity to their concerns. This bill is a prime example of that insensitivity, and so is the repeal of section 272. We thought we had the government convinced that it could not proceed in this manner, but it is obvious we were not successful.

The Russian bargaining agency has told the government that it will cease to buy if flour rates go up. It has told the government that Russia will build a milling industry in Cuba to mill our wheat, the thing we should be asking them not to do. We should be maintaining our industry, particularly in areas where unemployment has been a persistent problem.

The government pays no attention to the wishes of the people, and when that happens it is the responsibility of the people to remove the government at the first opportunity. I am certain that that time will not come too soon for the people who are affected by this bill, and one cannot blame them for feeling that way. The Prime Minister can claim that he is unpopular because he is French and he promotes the French language, if he likes, but that is not the reason at all. He is unpopular because he is insensitive to the wishes and needs of people in every region of Canada.

The government could boost its popularity a great deal if it proceeded step by step, and one of the steps I suggest would be to agree that Clause 15 should be deleted from this bill. It would be simple to accept such an amendment, and the milling industry would be much happier and have more confidence and trust in the government if the government did so.

That is really all I have to say about Bill C-19. I want to assure the milling industry that we on this side of the House will proceed very cautiously to make certain that that industry is not eliminated, that employment opportunities will continue and, if possible, that there will be a substantial expansion. We hope the Canadian Millers' Association will be called before the committee to present its case so that we can ascertain whether the subsidies with which the government will bait the industry will be ample to maintain its existence. If not, we hope the committee will take action to bring this about.

Certainly for me the essence of governing is creating opportunities for Canadians, not diminishing them. This bill appears to limit the milling industry, which once played a very vital part in Canada and which at one time was competitive throughout the world. Now it is not because the European Common Market is heavily subsidizing its milling industry, and we are placing our milling industry in a disadvantageous position.

I see that the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) is eagerly taking notes. I hope he has noted my words of caution, because this means a great deal to the grains industry as a whole.

[Mr. Horner.]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I always enjoy taking part in a debate in this House when I have the opportunity to follow my friend, the hon. member for Crowfoot (Mr. Horner), and I hope I can offer to him some of the reassurance which he seemed to be requesting in his closing remarks. I was interested in his very plain spoken statement about the importance to Canada of our trade with Cuba, particularly the importance of our trade in agricultural commodities and, more particularly, flour. I wonder, though, if my hon. friend might not be accused by his colleague, the right hon. member for Prince Albert (Mr. Diefenbaker) of "cuddling up to Castro", in view of the comments he made this afternoon.

Mr. Horner: That is how little you know about it.

Mr. Fairweather: It is exactly the reverse.

Mr. Goodale: There is a double standard on the other side of this Chamber when the right hon. member for Prince Albert can make the kinds of comments he makes in attacking Canada for maintaining trade relations with Cuba and accusing the Prime Minister (Mr. Trudeau) of all sorts of sinister—

Mr. Horner: On a point of order, Mr. Speaker, the hon. member insists upon making statements which are completely wrong. When the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister, he continued to trade with Cuba, in spite of urgings from the United States to assist them in their embargo against Cuba. We continued to expand our trade with Cuba, and I do not think my remarks today were in any way—

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member that this is not a point of order but a point of debate.

Mr. Horner: I had to straighten him out.

Mr. Goodale: My friend has again highlighted the very inconsistency on the other side about which I was just talking. On the one hand the right hon. member for Prince Albert can be as critical as he was of the Prime Minister and of his visit to Cuba on trading and diplomatic matters earlier this year, and at the same time the hon. member opposite can applaud the trading relations Canada has traditionally enjoyed with Cuba. I suggest that that is a gross inconsistency which neither the right hon. member for Prince Albert nor the hon. member for Crowfoot can explain away as simply as the hon. member has just tried to do. That is an inconsistency which I think it is impossible for them to justify.

In any event, in a moment or two I would like to deal with the concern the hon. member for Crowfoot expressed about the milling industry in Canada, but as I begin my remarks I want to deal specifically with another provision in Bill C-19, the one relating to the western grain stabilization plan, which proposes to amend Section 41 of that plan. I think to understand the impact of this clause it is important to understand one or two basic points about the mechanical operation of the western

grain stabilization plan. It is a mechanism which is now in place to provide a way whereby the incomes of western grain producers can be cushioned against the jolting, recurring impact of the fluctuations in grain receipts which are so painfully familiar to many of us from western Canada.

The technique adopted is the establishment of a western grain stabilization fund. The fund draws revenue from four sources. First it draws from the producers who will be asked to contribute a certain amount of their gross grain receipts annually to the grain stabilization fund. As has been mentioned, this is a voluntary plan, and producers may exercise the option to withdraw, but if they are in it they will be asked to contribute this levy. Second, the Government of Canada contributes to the fund $2 for every $1 the farmer puts into it. Third, when the fund is in a surplus position the government will pay interest on it. Fourth, the Government of Canada backs the grain stabilization fund with a fundamental guarantee of solvency so that it can never run out of money. It will always have sufficient money to pay out to grain producers on those occasions when payments are required.

● (1520)

The amendment proposed in Bill C-19 in so far as it affects the western grain stabilization plan is concerned, allows possible deferment of government contributions to the plan until that money is needed. When it is needed farmers and people in western Canada can be assured that the full amount will be there, with interest as provided in clause 14. The western farmer's position is protected; there can be no detrimental effect upon the western grain stabilization plan or the interests of western Canadian farmers.

Earlier today my hon. friend opposite asked why the producer is not in a position to defer his contribution to the grain stabilization fund as well. Of course that issue is not as he tries to make out. There are 140,000 or 150,000 participating producers in the plan and, as was discussed thoroughly in the Standing Committee on Agriculture when the bill was before it last year, the possibility of establishing an individual and separate account for each of 140,000 or 150,000 participants would be an administrative nightmare which I do not think even he would want to sanction.

The idea of the levy is that producers' contributions to the fund would be deducted at source by licensed elevators and others. It is administratively convenient and has the sanction, approval, and support of the vast majority of farmers in western Canada and of Canadian farm organizations. My hon. friend opposite will know that some contributions do not lend themselves to automatic deduction at source; they are essentially voluntary and can be contributed at will by producers if they deem it in their interest, on grain receipts that do not lend themselves to an automatic or simple deduction at source.

An important point to remember is that when the farmer contributes to the grain stabilization fund, and when the fund is running a surplus, that money is earning interest paid by the Government of Canada. The money is not sitting idle but is at work for western grain producers.

Another important point that should be highlighted relates to the question that the hon. member for Crowfoot brought up about trust in and support for the western grain stabilization plan. The fact is that about 80 per cent of western grain producers participate, and it has become plain that the number of those who earlier opted out and now want back in, is increasing. It could happen that by the end of the year the participation rate will be higher than 80 per cent.

Any government program of any kind, sponsored by any government anywhere, that has an 80 per cent participation rate—a plan that is essentially voluntary—must enjoy a significant measure of support among the people to whom it is available. In the last few months I have had the privilege of conducting a number of meetings across western Canada and in different parts of the prairies where I have talked to farmers and others about the grain stabilization plan. After more than 50 public meetings it is clear to me that there is keen interest in the plan and a sound understanding of how it is intended to operate. There is a broad measure of support for it. I suggest to the House, with confidence, that this measure of trust and support for the plan is real and is not being eroded by anything taking place at the present time.

Mr. Horner: Call an election and find out.

Mr. Goodale: Clause 15 of Bill C-19 refers to what is commonly known as the "at and east subsidy" or section 272 of the Railway Act. I think it is clear that this provision in the Railway Act supports what has become an expensive and inefficient system of grain movement which is not in the interests of producers nor in the interests of Canada. It is interesting to examine the kind of grain movement this particular section of the Railway Act tended to foster in the past. If you move grain from the farm to the prairie elevator, out of that elevator into a train which goes from the prairies to Thunder Bay, unload it at the Lakehead into a terminal, clean it, store it for a while, load it on a ship, move it across the lakes—not down the Seaway, but just across the lakes—take it out of the ship and put it into an elevator, take it out of the elevator, load it on to a train and move it further east—if you do all that then you get a subsidy. If you do it any other way you do not get a subsidy. I think that demonstrates the problem with this type of provision in the Railway Act. It is a subsidy which is uneconomical and counter-productive, and which does nothing to enhance the system of grain movement we have in Canada.

Bill C-19 proposes that section 272 of the Railway Act be repealed. It has been mentioned earlier today, and it is recognized by this government that such action would have an impact upon the Canadian milling industry. Various ministers of the government have been engaged in intensive discussions with representatives of the milling industry in the last few months in order to try to deal directly with the economic and industrial problems facing millers. The mechanism needed to provide the assistance they claim they require has been under intensive discussion inside government, and outside with industrial representatives. These discussions have borne fruit, Mr.

Speaker. The minister responsible for the Canadian Wheat Board, the Minister of Transport (Mr. Lang), will, I understand, be participating later in this debate to explain to members opposite and to the industry the details which have been worked out to provide a more sensible, economic, and effective method of dealing with the problems of the milling industry. I think my hon. friend and the industry have the assurance they seek that the kind of proposal forthcoming will meet their requirements.

With these few remarks, Mr. Speaker, I should like to conclude. I was interested in the tone of the debate this afternoon, with members of the Conservative party saying that the bill does not do anything, members of the New Democratic Party saying the bill does far too much, and the hon. member for Crowfoot managing to say both of these things at the same time. Perhaps that is rather typical. I hope in the debate which follows, both in the House and in committee, that we can have a full discussion of what is intended by C-19, how it will effectively restrain government expenditures, and have a positive impact upon the economy of the country.

● (1530)

Mr. Fairweather: Mr. Speaker, will the parliamentary secretary permit a question?

Mr. Goodale: Yes, Mr. Speaker.

Mr. Fairweather: Mr. Speaker, I would like to know seriously whether the hon. member has consulted his colleague and my neighbour, the hon. member for Saint John-Lancaster (Mr. Landers), to learn about the serious way in which the passage of clause 15 will inhibit the movement of flour through the port of Saint John. A cabinet document states:

> Flour exports will be seriously affected by the elimination of the At and East subsidized rates.

What does my friend have to say about that?

Mr. Goodale: Mr. Speaker, not only have I been involved in discussions with my colleagues on this side from the Atlantic region, but the ministers involved in the development of Bill C-19 have taken part in those discussions as well. The government has benefited indeed from the wisdom and advice that our Atlantic colleagues have offered to us.

Mr. Fairweather: Where is the policy?

Mr. Goodale: The point I was trying to make in my remarks is that in reading Bill C-19 one should not think that the total sum and substance of the government's policy relating to the Canadian milling industry and the level of activity in Atlantic ports is contained in Clause 15 of Bill C-19. Those matters are much more important and complicated than could be dealt with in one simple clause in one bill.

Mr. Fairweather: We're from Missouri; we have to be shown.

Mr. Goodale: The hon. member says he is from Missouri and has to be shown. I can assure him he will not have to wait very long before that proof, in very graphic terms, is before him.

[Mr. Goodale.]

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I have looked at this so-called restraint act, Bill C-19. Some of the things that it provides do in fact show some restraint on the part of the government. However, I question the effectiveness of some of them.

What first came to my attention was the treatment of the adult occupational training grants. They are set by regulation, not by this House of Commons. The House of Commons will again be unable to approve the appropriateness of those allowances. The minister is instructed to make an annual review of these expenditures. However, there is no suggestion or requirement that he make any kind of a reduction in them. Therefore I am not at all sure what kind of restraint will be shown in that case.

I notice the elimination of the Company of Young Canadians. I well remember that promise being made by the former leader of this party in at least one if not two election campaigns. While that certainly is a matter of restraint, I note from the Public Accounts recently issued that it will be a saving of something less than $6 million.

I note the removal of Information Canada, another recommendation made by this party on a number of occasions. This will be a saving of $10 million. Presumably some operations of Information Canada will be taken over by the Queen's Printer and some measure of those costs may continue. That is not told to us in the figures that are available.

The freeze on family allowances is a little harder to take. The figure I have heard in the House today is a saving of $230 million a year. I also note a proposal to postpone credits under the Western Grain Stabilization Act. My colleagues from farm areas will adequately deal with that provision as well as the one that proposes to adjust grain freight rates.

I think we can identify something in the order of $250 million a year in restraint specifically in the program. When we are talking of a budget for the country of some $42 billion, an increase of something like 16 per cent over the previous fiscal year, I am not sure that those are restraint measures that deserve very much in the way of laudatory comment.

I want to make some suggestions to the government on some real savings that could be made with restraint. I want to spend a few minutes on the area of Crown corporations. Volume III of the Public Accounts which came into our hands about a month ago lists the financial statements of the Crown corporations. In the table of contents there are no fewer than 43 Crown corporations listed. They run from Air Canada to Uranium Canada Limited. It is not my proposal to deal with all of them, or even with a lot of them today, but I do want to touch on a few, starting at the top with Air Canada.

The Air Canada statement reported an operating loss of $12 million in the fiscal year ended December 31, 1975. That is not a lot of money in the over-all expenditures of the Government of Canada of $42 billion. Compared to the passengers carried it is only about a $1.12 loss for each passenger carried on the

airline. However, those figures by themselves hide quite a lot of true financial information.

If you dig deeply into the report of Air Canada you find that the passenger load factor for that year was down to 58 per cent, the lowest since 1971. In a business like that, with huge gross revenues of close to a billion dollars, it is obvious that a very small change in the passenger load factor, which could be achieved through scheduling and so on, could have had a great effect on the expenditures of the Government of Canada.

I should comment that Air Canada does not always lose $12 million. The figure for the year before was somewhat lower. However, there is a lot of money invested in Air Canada. In fact it has a debt of over $1 billion. Of course the government owns approximately three quarters of that debt. In other words, the Government of Canada has a cash investment in the debt of Air Canada of three quarters of a billion dollars. Investment, on anybody's part, might not be too bad provided there is an adequate return. But Air Canada's own report shows that the return on investment is 5.1 per cent—that is an average return; they have had some higher and some lower figures in the past ten years. But we must inquire where the government gets the money to invest at that return of 5.1 per cent.

• (1540)

As we know, the government goes each year to the citizens of Canada to borrow money. If we look at one aspect of this process we see that Canada Savings Bonds probably carry a lower rate of interest than many similar government bonds and we find that the government is borrowing at a rate of something over 9 per cent. And, as we have noted, it is earning 5.1 per cent, which does not appear to be very good business. This makes one wonder what kind of restraint is not being practised by an organization like Air Canada.

I have maintained for a number of years that the government should look closely at selling Air Canada. I understand that when the industry was very young in the thirties, many companies went into business and, like other young companies, ran into financial difficulty. I think there might well have been some justification for the government getting into the operation at that stage, bearing in mind the huge amounts of capital which were needed to get the thing going and the need to consolidate all the companies which were experiencing financial difficulties.

It might be said that the people of Canada could not afford to buy Air Canada. But there is evidence that Canadian investors whether through pension funds, trust companies, banks or whatever, have already invested in bonds covering three quarters of the total debt of that corporation. I was delighted, from one point of view, to read recently that the government is presently considering the return in some measure of Air Canada to private enterprise. I have not seen the details but I am waiting eagerly to see what ideas it has in mind and whether some of mine have filtered down to the government.

Mr. Knowles (Winnipeg North Centre): That is what I am afraid of.

Mr. Clarke: I do not want to see all my ideas taken over by the government because I know what would happen then whenever members opposite can summon up the courage to go to the people again. They would say "We have already used all the ideas put forward by the opposition; we have them all in place, anyway."

An hon. Member: That is when you would wake up.

Mr. Clarke: Air Canada is only one example of an area where restraint could be exercised at enormous saving to the taxpayer.

We might well take a look at the Canadian Broadcasting Corporation. We find from an examination of the Public Accounts that for the year ending March 31, 1976, the net cost, otherwise known as the loss, of the CBC in that year was $310 million. This was the figure for the most recent fiscal year; in the preceding fiscal year the loss was $260 million. So instead of there being any kind of restraint program in the CBC the cost increased by $60 million in one year. Even so, one could say, I suppose that that is not very much money because apportioned among the people of Canada it amounts to only $14 per capita. But again we must look at the investment which is required before these losses can be incurred. And we find from the Public Accounts that the total assets of the CBC amount to some $316 million. Bearing in mind then that the investment amounts to slightly more than the loss on the operations this year, it seems that the return on investment amounts to about minus 98 per cent.

An hon. Member: Not very much.

Mr. Clarke: It is not excess revenue, anyway. They would never get hauled up before the Anti-Inflation Board.

If I can find the report of the Auditor General I have one or two other comments to make on those figures. Referring to the CBC financial statement it says, having set out the figures I have quoted:

> The corporation has not recorded accrued interest of $28 million of which $14 million is the interest for the year on loans from Canada and payment of such interest has been deferred until March 31, 1979.

I take it the results were so bad that the people who make up the statement for the CBC could not bear to put in another $28 million of accrued interest. The Auditor General also says that severance pay is recorded in the accounts when paid on employee retirement or separation and, he says,

> No provision has been made in the accounts for benefits accruing to employees amounting to $28.7 million at March 31, 1976 and expenses for the year have been understated by $3.4 million.

I suppose this aspect will be considered if and when the accounts of the CBC come before the Public Accounts Committee. However, as hon. members know, that committee is not privileged to examine regularly the affairs of every Crown corporation or even every department, so perhaps we shall

have a chance to comment on that observation by the Auditor General, and perhaps not.

It will probably be said that the CBC provides Canadians with some very special features and that it should not be concerned directly with cost. I go along with that to some extent, except that I find that effective the first of this month, for example, after 30 years the CBC has ceased to carry the BBC news direct from London. Now, Mr. Speaker, that is one of the features whose cost could have been included, I would have thought, in the $300 million loss the people of Canada can expect to see continuing.

One of the other things we like to think of, as far as the CBC is concerned, is that we have freedom from most advertising and freedom from a lot of unimportant detail. I find that in place of the BBC news we are to be subjected to sports reports, so we must now listen to what is happening in all the sports arenas around the country.

What is the true cost per capita of this monster of the CBC which is costing us $300 million losses on total assets of $300 million in capital? I do not know what percentage of the people listen to the CBC, but the corporation is obviously competing with hundreds of other stations around the country, so the per capita cost per listener must be astronomical.

Why cannot we get rid of the CBC? We would free up the $300 million we would not have to borrow, and save $300 million in annual losses which we are now carrying. Hon. members may ask: who is going to buy the CBC? Well, I have talked to the radio and telecommunications industry in Canada. These people have enormous resources and enormous investment in their own physical plant. Many of them would take over and pay a fair price for the assets of the CBC.

● (1550)

What would we lose, Mr. Speaker? We would lose a national network to which few people listen. Perhaps in the days when the CBC was first formed it was necessary in a country like Canada to have a national network. But with networks flourishing all over the place—I understand there is not a single independent radio station left in Ottawa; all are members of a network of some kind or other—we could let the CBC become part of another network. Just think of all the resources of Canada that would be saved thereby.

Some might say that no one is going to take radio and television into unprofitable areas such as the far north, where there is insufficient demand for a commercial operation. Well, there is a simple answer to that. If the government would adopt a policy of being a regulatory body, instead of competing with people already in the business, there would be no problem. For example, there is no reason why the government could not sell off the CBC and issue licences as it does to all other broadcasters in Canada. It could make it a condition of the licence—heaven knows, enough conditions are attached to licences issued by the CRTC, the governing body in Canada—that those who acquire the assets of the CBC must serve outlying areas as well as profitable areas.

The advertising-free aspect of the CBC would be lost, but this would be a small price to pay compared with the $300 million investment and a $300 million loss. Perhaps 90 per cent of the people of Canada do not listen to the CBC anyway but choose to listen to some of the other hundreds of stations that operate on a profitable basis with advertising.

Some might say that this has never been done before. I see no member of the NDP is listening to my remarks. I did expect some challenge from that quarter; I am sorry they are missing out. I guess that is why it is so quiet down there, Mr. Speaker.

Let me give an example. I am sure the telephone industry operates well under Bell Canada, but I know better about my own province of British Columbia. The B.C. Telephone Company is privately owned—that is, shareholder owned—a corporation with huge investment from the private sector. All regions of British Columbia have telephone service. How can this company afford to service unprofitable areas and do so willingly? Perhaps it does not do so willingly, but the point is that the government has granted the B.C. Telephone Company a licence—a monopoly if you like—to provide telephone service.

A telephone licence is not like a licence to carry on the road, such as a licensed taxi. It is difficult to have competition in the telephone business because of the physical plant that is required to provide a service. B.C. Telephone Company get a licence that allows them the right to provide telephone service in areas they want to service because they get a return on their investment, but the licence also requires them to provide service in less profitable areas. No government investment is required. No government competition is involved. And people in outlying areas get telephone service at a very reasonable rate.

In fact, Mr. Speaker, I was surprised to learn that in the outlying areas of British Columbia telephone rates are actually lower than they are in the cities. There is a rationale for this. It makes good sense if you stop to think about it. The larger your settlement, the more use is a telephone; therefore the more the company is allowed to require people to pay for its use. The assumption is that the more you use something, whether telephone service or something else, the more you should be willing to pay for it.

Mr. Raines: Why don't you come along and give some of your ideas to the broadcasting committee.

Mr. Clarke: I hear the suggestion that I should bring my suggestions to another committee. I think the House of Commons is the place to make these suggestions, and that is what I am attempting to do. I am glad some members of the broadcasting committee are in the House; I hope they will pick up a few of my ideas.

In the few minutes that remain before four o'clock, Mr. Speaker, I should like to move on to the next of these Crown corporations, Canadian National Railways. Let me see if I can find any area of restraint here. Canadian National Railways is a very complex structure, though it had its beginnings in much

the same way as Air Canada. During the twenties there were many railway problems and the CNR was formed to consolidate those problem areas.

According to its report there are 13 separately operated trucking companies owned by Canadian National whose operations are consolidated. In addition to the trucking companies, which of course are competing with privately owned trucking companies, there are 53 consolidated subsidiaries all included in the same financial statement. I am not going to bother with the 53 consolidated subsidiaries but it is of interest to note that the CNR never considers that money costs anything. It will report to us with a straight face that its 13 separately operated trucking companies earned $6.6 million; and then there is a little note that says that this is before interest. Of course, Mr. Speaker, you cannot pick out the interest figure. It does not say how much money is invested in trucks so you cannot work out what the results of the operation are. However, the total operation suffered a loss of $91 million in 1975. I think I have to be fair and say that that was the first operating loss that the railway had experienced since 1962. For example, in 1974 it had a profit of $17 million. However, in this area of restraint about which the government is so concerned, from a profit of $17 million to a loss of $91 million is not much evidence of restraint.

Furthermore, the note goes on to point out that the $91 million loss is before interest charges—here we do know what the total figure is—of $111 million. I suggest $91 million before and after $111 million in interest are two different things. May I call it four o'clock?

The Acting Speaker (Mr. Turner): Order, please. It being four o'clock the House will now proceed to private members' business as listed on today's order paper, namely public bills.

Order No. 1, the hon. member for Lotbinière (Mr. Fortin). Shall the order stand at the request of the government?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Turner): Order No. 3, the hon. member for Capilano (Mr. Huntington). Shall the order stand at the request of the government?

Some hon. Members: Agreed.

● (1600)

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

BANK OF CANADA ACT

SUGGESTED AMENDMENT TO MAKE LONG-TERM LOANS AT COST OF ADMINISTRATION

Mr. Adrien Lambert (Bellechasse) moved that Bill C-206, to amend the Bank of Canada Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, I am very proud to pilot this bill whose importance is very significant and I am convinced that if it is passed by Parliament, it will have a very favourable impact on the Canadian economy.

This bill is identical to the one my leader (Mr. Caouette) introduced in the House and spelled out so ably during the last session. The purpose of this bill it to amend the Bank of Canada Act. Although its foundation goes back to 40 years ago, the fact remains that the bank still does not have the authority to make long term loans to the government of Canada or the government of a province.

In fact, paragraph 18(1)(*i*) reads as follows: The bank may

"(*i*) make loans or advances for periods not exceeding *six months* to the Government of Canada or the government of any province *on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;*"

In my opinion, this cannot be considered a way to ease the credit of the nation for financing the public sector to the benefit of the Canadian public.

Paragraph 18(1)(*j*), which is no longer valid as it only limited the time allowed for the reimbursement of the advances made, reads as follows:

"(*j*) make loans to the Government of Canada or the government of any province, but such loans outstanding at any one time shall not, in the case of the Government of Canada, exceed one-third of the estimated revenue of such government for its fiscal year, and shall not in the case of any provincial government exceed one-fourth of such government's estimated revenue for its fiscal year; and such loans shall be repaid before the end of the first quarter after the end of the fiscal year of such government;"

In other words, if the fiscal year of a provincial government ends on March 31 and the said government had borrowed $150 million from the Bank of Canada, it will have to reimburse these $150 million not later than June 30, so that the province will find itself financially in the same situation as before obtaining its loan and the vicious circle will start all over again. Yet, the Canadian government is a lot more generous with foreign countries, since it is lending them huge amounts of money, sometimes without interest, and at other times at extremely low interest rates.

Why could we not do for ourselves what we are doing for other countries? The purpose of Bill C-206 is to amend the Bank of Canada Act to permit the Bank to make loans or advances for periods not exceeding sixty years to the Government of Canada or the government of any province based on the real credit of Canada or the province at a rate of interest which does not exceed the cost of administration.

Secondly, paragraph 18 (1) (*j*) of the said act is repealed. Thus, Mr. Speaker this amendment gives the Government of Canada, through the Bank of Canada, the real power to finance the credit of this nation at a very low cost, which should slow down inflation and enable the government to finance the public sector more economically. The government would cease to be the competitor of free enterprise on the loan market, on the money market.

I know that some hon. members are already stating that this will fan inflation. Come on, let's be serious. Whether a $50 million credit be generated by chartered banks and put into circulation through government borrowings for the construction of a public building, or a $50 million credit be generated by the Bank of Canada and put into circulation through government borrowings for the same purpose makes no difference. Would there be greater inflation if those $50 million were generated by the Bank of Canada? I suggest not. Now, there would be a difference for Canadian taxpayers. Instead of paying taxes and levies to pay out 12 and 15 per cent interest rates as is presently the case, they would pay for administrative costs only. We should not forget that a country's monetary system should first of all be a service, not a merchandise which can be produced and destroyed to the liking of those who are controlling it, as is presently the case.

I might be told that those who have money to lend will be the losers, as the rates would surely decrease. To this I would answer that this is precisely the avowed purpose—lower interest rates. But if Canadians pay less income and other taxes to finance the public sector, they will have more income left, which will compensate them for the loss of income issuing from interest on investments. Though there may be more private borrowers than lenders in Canada, I feel that, in the final analysis, this bill will benefit everyone. Here is another advantage of lower interest rates: industrialists, businessmen and the whole private sector would see their operating costs drop, this would lead to a generally lower cost of living, and that is what we are all seeking.

To my mind, it is far more difficult to adopt the metric system in this country than to implement a monetary reform. Still, the government, through an act of Parliament, implements a major economic reform by adopting the metric system. The Canadian Parliament, the supreme authority in this country, has the power to change our monetary system, and one of the best possible means of doing so is to pass Bill C-206.

Mr. Speaker, many people have very confused ideas about money. For instance, they often think money is automatically created by economic activity. That is far from the truth. The beef producer who has a herd of cattle does not create through cattle breeding the monetary value of his herd. I am convinced a large number of producers would now accept those means if it were possible. The production of goods and the production of money are the result of two very different processes:

● (1610)

Money is largely generated through chartered banks, although general control over the money supply is assumed by the Bank of Canada. Under section 72 of the Bank Act, it controls the reserves of chartered banks. These reserves allow chartered banks to create and issue the financial credit used by Canadians but since chartered banks have the power to issue up to 16 times more credit than they have in the form of reserves, these institutions exert a decisive influence on conditions which allow Canadians to acquire their purchasing power.

It goes without saying that credit creation is geared to credit reimbursement with interest. Just as a family can pay a house three times over in interest before enjoying ownership, so do governments usually pay three, four and even five times in interest the original price of public works. Mr. Speaker, there is the cancer of inflation. However, I do not like to make such a statement without backing it with some evidence.

So, Mr. Speaker, allow me to give an example that is quite recent. I refer to *Hansard* for February 23, 1976, page 11151, question No. 3580 put by the hon. member for Bellechasse and answered by the Minister for Urban Affairs. It is about two housing projects for retired people. Under an agreement between the province of Quebec and the federal government, the Central Mortgage and Housing Corporation lends the Quebec Housing Corporation 90 per cent of the project's estimated value, and for one of them the loan in the amount of $537,863 at 10⅜ per cent, is to be repaid over a 50-year period. It is clearly stipulated that the yearly repayment of capital and interests will be $57,617.24.

If you multiply the yearly repayment by 50, since the loan is refundable over 50 years, the total amount Quebec will have to pay for these 30 units will be $2,880,862, that is $2,342,999 in interest only, which represents the value of 130 units worth $17,929.00 originally. Thus, 30 housing units for retired people, plus the value of 100 units in interests, which goes to the credit and finance monopoly, that is to say, the loan sharks.

Mr. Speaker, this is a clear illustration of the financing system of the public sector. In order not to be the exclusive boss of the monetary system, the government requires the Canadian people to pay five times the value of a public good, which is why the national debt doubled between 1967 and 1975 and will continue to rise during the next years if we do not have the courage to amend the Bank of Canada Act by allowing it to authorize long term loans to the government with an interest rate equal to the administration costs. If I were authorized under our rules, I would submit to the clerk, Mr. Speaker, tables indicating the difference between those two financing practices in the public sector. The first concerns the fact I just mentioned, that is a loan of $537,863 with an interest of 1⅜ p. 100, calculated twice a year, which means that six months only after the lending transaction, the debt increased by $27,901.64 and that after 12 months, the interest will be calculated on the interest of the first six months, which means that the repayment of capital with the first yearly payment of $57,617.24 will only be $366.56. That is the cancer.

In my opinion, government loans should be made at a simple interest rate, since experts like architects, engineers and other people estimated that the building could last at least 50 years. Thus, it would be normal that the depreciation be deducted from the repayments. Consequently, in this case, the repayment would amount to $10,757.26 a year; thus, the second year, interest costs would be reduced in proportion. It would

therefore be on a decreasing scale. The lender could lend to others the $10,757.26 repayment. Even at a simple interest of 10⅜ per cent, taxpayers would pay $1,423,667.00 in interest, but in any case this would save $1 million on this building. At a simple interest rate, Mr. Speaker, to pay $2,342,999 in interest on a $537,863 loan refundable over a 50-year period, represents all the same a 17 per cent interest rate. If this is not loan sharking, I wonder what loan sharking is. We should keep this in mind when we consider Bill C-16 on criminal interest rate.

This bill gives to the Bank of Canada authority to lend money for financing public utility buildings, for example, a $537,863 loan for the erection of a 30-apartment building, the principal to be paid back, as in the case I referred to, over a 50-year period, at an interest rate of 1.5 per cent, which covers service charges. So, the total cost will amount to $743,150, covering both the principal and the interest, or $14,863 annually instead of $57,617.24. On this particular building, which would be just as solid as the one costing $2,880,862, there would be a saving of $2,137,712. The only difference would be in the financing. The government could therefore build more housing without getting future generations into debts they can never pay back. One needs only look at the increase of the national debt.

In *Fortune* magazine it has been reported that Prime Minister Trudeau said that the worst complainers were bankers. They take it easy, he said, as never before since I became head of this government. And he added: "I am ashamed. They are making more money than the manufacturing sector or the natural resources sector and all service industries". He is right, Mr. Speaker, when he says that bankers are the worst complainers, but it remains that they are the ones who make all governments in Canada crawl on their knees. I know that some are afraid to attack finance, that some will argue: "Well, if we alter our monetary system, how are we going to trade with other countries?" Let us begin by properly organizing our domestic trade. Are we not free to adopt our own monetary system, as we have adopted our own postal system.

And yet, if there is such a service which does business with every country in the world, it is the postal service. Our letters go all over the world. Whatever the colour, the size or the design on the stamps we affix to envelopes, that comes under an international agreement and it is working very well. Why should things be different if we reformed our monetary system? Why do some suggest that our currency would lose some of its value? It does not get its value from the banks but from our gross national output which comes from Canadians. Money is not the real wealth but only a symbol to measure the value of things and services and also an instrument of exchange.

I ask the Liberals to meditate on the words of the late leader of the Liberal party during a general election in 1935, and I quote:

> The Liberal party believes that credit is a public matter which does not only concern the bankers but which is of direct concern to the ordinary citizen.

The Bank of Canada

> The Liberal party is in favour of the immediate creation of a well-constituted national bank to control the issuance of currency to meet public needs. Capital flow should be related to the domestic, social and industrial needs of the Canadian people.

And I think so too. He went on to say:

> Once a nation loses control over its currency and its credit, it does not matter much who in that nation makes laws. Once in control, money lenders will ruin any country. As long as control over currency and credit has not been restored—

• (1620)

[*English*]

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

Some hon. Members: Agreed.

[*Translation*]

Mr. Lambert (Bellechasse): I thank you, Mr. Speaker, as well as all my colleagues.

Mr. Béchard: Once more we heard the theories of the Social Credit Party of Canada.

Mr. Lambert (Bellechasse): I am reading the theory of Mr. King—that of the Liberal party, in 1935.

In any event, Mr. Speaker, I accept those very friendly remarks, but the fact remains that we are dealing with a very serious matter. In the present economic context when things are going very badly in this country, when all governments are complaining precisely of a shortage of dollars to run either the country or the provinces and everyone is rising early to run after those famous dollars, it is important that at least in the public sector we empower our bank—the bank of Canadians—to help the government, whatever it may be, to run the country.

I continue the quotation I was reading earlier. Mr. King was saying:

> —its most obvious and most sacred responsibility, any talk of democracy and Parliament supremacy is vain and futile.

I am talking to the Liberals, those who have the majority in the House . . .

An hon. Member: Is there nobody else?

Mr. Lambert (Bellechasse): Yes, certainly there are other members. I am talking to all members, specially to you who think you hold power. After 40 years, do you not agree that it is time to change the Bank of Canada Act to put into practice the ideas put forward by the Liberal chief in 1935?

Since Liberals have the majority, I ask them not to kill this bill but refer it to the Standing Committee on Finance, Trade and Economic Affairs, and then definitely passed by the House to give the government a good instrument and allow it to run properly the country without jeopardizing future generations.

Mr. Speaker, I think I have clearly explained the scope of the bill of which I am sponsor with concrete examples and tables which I have here and which I would like to be put on record. Unfortunately, our procedure does not allow it. All the same, they are available. Any member who would like to consult them can ask me and I will be glad to put them at their disposal so that they can examine them and criticize them.

In any event, this represents a considerable amount of work and it is well worth looking into by parliamentarians like us who are responsible for running the country properly, so that when we leave this House, we may leave to the next generations something which will make them proud of us. If we leave them in debt up to their neck, they will have to provide for their own needs and pay for our present needs, which is not reasonable. Therefore we must make every effort to control this fantastic increase of the national debt and the best way to do it is to give the Bank of Canada the powers described in the bill.

As for the private sector, it will carry on as it does today, but governments will stop competing with it. The private sector will then be able to survive, individuals will regain confidence in the country and will be able to leave to those following us something to be proud of. Thank you once again for these few extra minutes for which I am very grateful.

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, I want to congratulate the hon. member for Bellechasse (Mr. Lambert).

[*English*]

I regret very much that I cannot make my whole speech in French. The day I can, I will be the proudest lady, I mean member, in this House. I almost was a female chauvinist.

Some hon. Members: Oh, oh!

Mrs. Holt: I agree with the statement of the hon. member that banks play a sinister role in society today. They are manufacturing credit and making money. Bank buildings all over this country are almost as big as those built by lawyers. The lawyers are also a rather sinister group, those present excluded. They have much to answer for, just as bankers have. If I had time I could talk about frauds and the collusion among the lawyers of this country with which I have some personal experience. I am afraid I must tell the hon. member for Edmonton West (Mr. Lambert) that it is happening in his city and that I can document it.

I should like to say a few words about this bill. If this were not a time of necessary restraint—and we have taken so much criticism already from the same people who would support this bill about the manufacturing of money—I might say that the idea might have merit. This idea goes back some years ago to Major C. H. Douglas in the late nineteenth and early twentieth century and some of this Douglas—or Social Credit philosophy—might be worthy of support. I could also say that it would be easy to look at the economy of Alberta, where I grew up, and mistakenly believe something worked because of the wealth today.

[Mr. Lambert (Bellechasse).]

I can remember very clearly the Aberhart period because that was the first contact we had with newspapers. At that time there was what was called "fountain pen" money which was issued very briefly, or funny money. It was a script on which you put stamps. But this did not last long. The economy of Alberta grew and expanded, not because of the money program. Perhaps the old provincial Treasury Branch approach was a useful approach. It consisted of buying and selling your own goods within the province and thus building up the provincial economy. It may have been very useful, but by the same token it was Premier Ernest Manning, and perhaps Premier William Aberhart, who laid the foundations for the strong economy it is—an economy of which Mr. Lougheed now pretends to be the creator and saviour.

Some hon. Members: Oh, oh!

Mrs. Holt: The health of that economy was not his creation but rather God's creation, because it was God who put the riches in the soil.

Mr. Fraser: And he waited for the right government to come along before it was discovered.

Mrs. Holt: They have a very good life there; they do not have a sales tax, but it is the richness of the minerals, not the greatness of the mentality of the Conservatives in office at present. Had Manning or Aberhart not abandoned funny money, we might very well not have had the kind of economy that exists there now.

• (1630)

Perhaps in my years of work with crime and courts I have seen too many paperhangers or, in the refined parliamentary parlance of this great House, counterfeiters. They made their money overnight and peddled it wherever it was best to do so. I really do not have too much hope for that system, as much as I admire the hon. member for Bellechasse. I remember the script era. We keep hearing that there is manufacture of too much money, and if money continues to be made this way, it will not be much better or safer than counterfeit. We worry about inflation. Of course this measure would only produce greater inflation, and accelerate the very problem we are now trying to correct. To quote one of the greatest men in this House, the Prime Minister (Mr. Trudeau), inflation is a pervasive disease. It causes fear, distrust, and a divisiveness among various segments of society. I do not trust bankers, and bankers do not trust me because I am a woman. We will have to educate Mr. MacLaughlin of the Royal Bank about women in this country.

In the next election we will have to educate everyone so that we can get a few more women in this Chamber. Perhaps then we will not have these superficial banking approaches and resolve the problems with women's intellect working on them—the problems women as homemakers have had to worry about throughout the generations with regard to handling home budgets. It is remarkable that the whole nation is joining in the fight against inflation, and despite what hon. members

opposite say, the nation is involved in this—the rank and file trade unionists, the public, and the teachers. We may hear from their leaders who are fundamentally NDP or Maoists—although not all of them—how bad the system is, but they are peddling the Goebbels lie. They figure if they say the lie often enough, people will believe it, but if there was integrity, all of you over there would be—

Mr. Knowles (Winnipeg North Centre): Order. Address the Chair.

Mrs. Holt: The people of Canada want the problem of inflation solved, but they do not want it solved the way you people suggest, with a freeze. You want to freeze everything.

Mr. Goodale: "Through you, Mr. Speaker."

Mrs. Holt: Even through you, Mr. Speaker, it is the same lie. Through you, Sir, I would like to say that they do not know the difference between freeze and formula. The formula for control is quite different from the proposal of hon. members opposite, but they go across the country attacking the very thing the public wants most. They are leaving this House because they cannot stand what I am saying. There are not very many of them over there. There are two Conservatives, one NDP, and three from the party presenting the bill. The Liberals are carrying a quorum. In fact, if you people do not get some people in here in a few minutes we will not have a quorum.

Mr. Knowles (Winnipeg North Centre): Order. Address the Chair.

Mrs. Holt: You do not like the fact that after the next election you may be the only one here to watch over us.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am merely trying to be helpful to the hon. member for Vancouver-Kingsway (Mrs. Holt), and to teach her that she should address the Chair, not hon. members across the way.

Mrs. Holt: I apologize to the Chair, but I cannot help but notice all those green people over there. Oh! The green people are really empty seats.

The anti-inflation program we have now has not failed, and I think it would be quite disastrous to try to create more money at a time when the country is trying to cut back. Hon. members opposite attacked and have talked about government spending. They try to give the impression that government spending means we are putting money into the pockets of a few civil servants and into our own pockets. Of course nothing could be further from the truth.

Hon. members opposite should tell the truth because some day they will have to answer for their actions here. The opposition is part of the government, and they may have to tell the truth about what government spending really means—that is cost sharing, welfare, pensions, education, highways, courts, police, prisons, subsidies to stabilize food costs and living costs, family allowances, and all the rest. The hon. member for Winnipeg North Centre has talked about all these necessities. I do not know how much he has ever done about them, but they are all necessities of life. Hon. members opposite are misleading the public about the need for restraint, and as much as I admire the hon. member for Bellechasse and some of the theories he has expounded here, I must speak in opposition to this bill.

It is dangerous to attempt to mislead the public. The public is already uneasy. Women like me and men who shop know what happened a year ago when we went into the market place and saw that every day a bottle of milk or a loaf of bread cost ten cents more than the day before. Everything seemed to be going up, and we panicked. That is not happening now. In fact prices have stabilized, even dropped in some cases.

Prices are a little higher in British Columbia, but we had an N.P.D. government which bought out bankrupt companies, and now we have to pay for it. Chicken prices, for example, across Canada have dropped except in B.C., but that is because in B.C. the N.P.D. thought it would buy up chicken farms, and sell the birds. Would you believe chickens run by a government? But it was a chicken government.

Some hon. Members: Hear, hear!

Mrs. Holt: Had you people shared in telling the truth, you might have served Canada better.

Some hon. Members: Order!

Mrs. Holt: Mr. Speaker, they might have served Canada better had they told the public the truth about the formula. It is not a freeze; it is a formula. It was the contingency plan spoken about long before the election. Hon. members opposite say that the Liberals said one thing before the election and came here and did another. Long before the election the Prime Minister said that there was a contingency plan.

As a reporter before I ever came to this place I remember asking what the contingency plan was. I wondered whether it would be a freeze, and at that time I was told that it would not be a freeze; it could be controls. We have controls. The Prime Minister, the former minister of finance, and our current Minister of Finance (Mr. Macdonald) tried to persuade big business, labour, and big government to use restraint. A child who refuses to use restraint requires discipline.

Mr. Munro (Esquimalt-Saanich): So they are children, are they?

Mrs. Holt: It was because these interests refused to use self-discipline that the controls were imposed on them. The formula has worked, and I know that makes hon. members opposite very sad. I often wonder whether partisan success is more important than the welfare of our nation.

I think hon. members opposite would have liked the program to fail so that they could have said the government is a failure. However, we have had tremendous success in fighting inflation, and by August of this year the inflation rate had dropped from the 11.1 per cent of last October to 6.7 per cent.

The Bank of Canada

The Canadian Labour Congress held a phony so-called protest, which was a fancy word in the 1960's. It was as ridiculous then as it is today. The CLC attempted to attack controls by having a national strike. The CLC did not care about the rank and file trade unionists who wanted to work and to earn their pay that day. It only cared about its big conspiracy with a few leaders of the NDP. The rank and file of the NDP are like the rank and file trade unionists; they have come to me and said that they resented any attempt to stop the rise in inflation in this country, so perhaps at the next election that party will be lucky to have even the hon. member for Winnipeg North Centre sitting over there to supervise the House.

Mr. Knowles (Winnipeg North Centre): He'll be here.

Mrs. Holt: However, the program has not failed, and because of that I would hate for us at this time to become involved in anything which inflates the money of this country. I would like to see the controls continue.

• (1640)

The Prime Minister says that controls will be removed only when the inflation rate reaches 4 per cent. I should like controls to remain until we see it go to zero. When prices and wages are set in the post-control period I hope every segment of society will be responsible, and not seek increases as they did in the past. At the present time people are better off than they have been for years. Food baskets are full. Controls have actually improved the earning power of the worker and the value of the dollar; it is more than 3 per cent higher than it was a year ago. Specious attempts to arouse the Canadian public against controls, and mislead them will not win confidence. Indeed we are losing the confidence of the nation by lying to the public. This is an educated public, Mr. Speaker, not an illiterate public. They know the truth. Women comprise 50 per cent of the population, although it does not look like it in this House.

Mr. Fraser: Fifty-one per cent.

Mrs. Holt: The 51 per cent do most of the buying although today more men are doing the buying and sharing the housekeeping. These people know when members stand here and on public platforms lying about prices, or when the press sets out to create fear in the minds of the public. People who go shopping, who make purchases in the stores, who live under the new anti-inflation controls know that controls are working. They have absolutely no respect for the story that controls should be dropped in Canada. Most Canadians wanted something to be done, and this government responded with its war on inflation. I do not say the formula is perfect, Mr. Speaker. What formula can be perfect that involves human beings? There are so many human variables that there can never be a formula that can resolve the complexities of these variables in a complex economic society.

The Douglas theory was an interesting formula. But formulas do not work for people or for an economy. This formula

[Mrs. Holt.]

was introduced in 1935 and I gather 13 acts were passed in 1937 but they were thrown out by the courts and the following year were disallowed. There were repeated attempts to bring the Douglas "A plus B" theorem into the life of Alberta.

As you know, in the Douglas formula, "A" represented wages paid to employees and "B" the cost of production, which was considered essential to supplement A, the wages. B, I presume was $25, I think in script, which could be used at the treasury board. You had to buy Alberta goods. It sounded a good scheme—especially getting $25—but it was dropped. I think they would have dropped it even if it had not been thrown out by the courts. It was not constitutional at that time and I doubt if it would be today. Indeed it would be dangerous today to introduce it at a time when we must all work for one Canada and a strong Canada. We must not divide it by a technique of destruction and disincentive.

Again I come back to those who continually tell the lie, hoping that somebody will believe it, and undermine all government attempts to save our tenuous economy, and the buying power of Canadians.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, with all due respect, would the hon. member for Vancouver-Kingsway (Mrs. Holt) accept a question?

[*English*]

The Acting Speaker (Mr. Turner): Order, please. Will the hon. member for Vancouver-Kingsway (Mrs. Holt) accept a question?

Mrs. Holt: Yes, if I can answer.

The Acting Speaker (Mr. Turner): The hon. member for Rimouski (Mr. Allard).

[*Translation*]

Mr. Allard: In the remarks she made earlier, the hon. member spoke of her native province, Alberta. And she seemed to allege that if that province had been able to pay off its debts, which amounted to $179 million in 1935 to such an extent that the province was going bankrupt and was under the trusteeship of the federal government, it did it because of its natural resources.

I wish to point out to the hon. member that Alberta has natural energy resources and oil reserves. I would also point out to her that the Aberhart government was elected in Alberta in 1935 and that from 1935 to 1948, they succeeded in paying off the province's debt. Alberta did not owe a penny to anyone and I would emphasize that before finding oil, the people had found the Social Credit Party. As for the phoney money to which she referred earlier, the fact that bankers disowned that money does not mean that the system was bad. Evidence is shown by the fact that they managed to pay off the debt between 1935 and 1948 with the only means available to them. Would the hon. member answer this question?

[*English*]

Mrs. Holt: Mr. Speaker, I said very clearly that Mr. Aberhart and Mr. Manning provided excellent government. They had very good fiscal policies but I am well aware that they did not tap the resources—the oil or tarsands—then. As the hon. member says, they could not, because they did not have the finances. They had good policies but they did not have Social Credit policies; they merely had the name Social Credit. I think they were modified policies in that they used their own banks, the Alberta Treasury Bank, and bought Alberta goods. People were buying and paying into their own banks to help the province. I did say that Mr. Lougheed, who now has the resources, had the benefit of good fiscal and economic programs under Mr. Manning, on which to build. That is the reason Alberta is rich today.

● (1650)

[*Translation*]

Mr. Albert Béchard (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I note the hon. member for Rimouski (Mr. Allard) has another question for the hon. member for Vancouver-Kingsway (Mrs. Holt). I have no objection to the hon. member putting his question.

Mr. Allard: Go ahead, I will give you a chance.

Mr. Béchard: Thank you. Mr. Speaker, in view of the very deep love the Social Credit Party of Canada has entertained since its inception for the Bank of Canada, I am not overly suprised by the remarks made this afternoon by the hon. member for Bellechasse (Mr. Lambert) on the subject of Bill C-206. This House will remember similar endeavours in the history, not only of the Social Credit Party of Canada, but also of the House of Commons. According to the information I gathered from *Hansard* over the last few years, similar legislation was examined before. As the hon. member for Bellechasse stated earlier, the debate here was on March 15, 1967. So, even before he came here, there were debates here on the subject of the Bank of Canada. Later on, a similar piece of legislation was introduced on March 18, 1969 by the current leader of the Social Credit Party of Canada, and my hon. friend from Bellechasse referred to it on October 22, 1974. The current leader of the Social Credit Party, the hon. member for Témiscamingue (Mr. Caouette) always showed remarkable conviction during the earlier debate I referred to. The sponsor of this bill, the hon. member for Bellechasse, also shows a remarkable sincerity in his comments.

Incidentally, I would like to commend the hon. member for Bellechasse, although I do not share his views, for his perseverence in attacking not only the Bank of Canada and its powers, by also for addressing himself to a particular subject. In this he deserves commendation. But although I am not an expert in social credit or banking affairs, I believe I can safely state that the provisions included in Bill C-206 by the honourable member for Bellechasse are unrealistic. However, they commend some interest, if nothing else. Considering only the drafting of the bill presented by the hon. member for Bellechasse, one would say that he certainly did not spend too much time on it, and the same would be said looking at the finished product as it is very short.

Mr. Lambert (Bellechasse): We should beware of bills that are too bulky.

Mr. Béchard: I continue. It is a very short bill. Its author made it short intentionally, I suppose, but it contains suggestions that, if they were implemented, if this bill were passed by 5 p.m. and referred to the commitee and then passed by this House, would change considerably, and I shall not say immediately, but dangerously, the role of the Bank of Canada. But the hon. member for Bellechasse, like his predecessors who proposed similar bills, intends effectively to change the role of the Bank of Canada and this could well have some bad effects.

For instance, if you read the first two lines of the bill, you realize that it would change the Bank of Canada Act by raising to a maximum of 60 years the term for loans or advance payments from the Bank of Canada to the government of Canada and provincial governments.

One must admit, Mr. Speaker, and I know that my hon. friend from Bellechasse agrees with this, that this would amount to an awful jump from 6 months, as it is now, to 60 years.

This is what I read in the explanatory note on paragraph 18(1)(*i*):

> make loans or advances for period "not exceeding six months" to the Government of Canada or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by Canada or any province;

On the other hand, the bill of the hon. member says: "make loans or advances for a period not exceeding 60 years to the government of Canada, et cetera." Everyone will admit, as I said earlier, that an increase from "six months" to "60 years" in the legislation is a considerable jump.

Mr. Speaker, the same terminology has been used in all the bills submitted by the Social Credit Party of Canada since 1967. Every time such a bill has been introduced and debated in the House, we must admit that, as it will happen tonight, the government has always rejected it, but it has not refused these proposals in a spirit of contradiction or to oppose a proposal of the Social Credit Party of Canada or simply because the bill was introduced by the opposition. No! It is because of the dangers that such a policy represents for our economy, and at this point I would like to mention the warning given by the hon. member for Bellechasse who said in his speech: There are some who will say during this debate that this bill is inflationary. Well, yes!

We are now going through a period of inflation and, according to what the Social Credit Party has preached since its beginnings, the hon. member for Bellechasse wants more money to be put in circulation in the country, in the province. The hon. member is making a gesture of denial. But this is what he wants. At least, this is what he said in his speech. Because if we grant more authority to the Bank of Canada, like he says in his bill and in his speech, more money will be

put in circulation, and this comes back to the original theory of the Social Credit Party: Put in money; put in a lot of money. The hon. member made a fairly long speech because he was given all the time he wanted. We are polite, I even said: Let us give him 10, 15 or 20 minutes more.

Mr. Lambert (Bellechasse): Mr. Speaker—

Mr. Béchard: —in order to conclude this very able speech—

Mr. Speaker: The hon. member for Bellechasse on a point of order.

Mr. Lambert (Bellechasse): Mr. Speaker, I hope the hon. member will allow a question.

Mr. Béchard: Mr. Speaker, I would be very pleased to answer all the questions the hon. member might ask me once I have finished my speech.

Mr. Speaker, everybody knows perfectly well that the Social Credit Party of Canada, following its theory and its philosophy, has always solved the economic, fiscal and monetary problems, all the problems and even the moral ones by the only way it knows of: "The Bank of Canada". But, Mr. Speaker, the Bank of Canada—

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on the question of privilege.

Mr. Speaker: The hon. member for Bellechasse on a question of privilege.

Mr. Lambert (Bellechasse): Mr. Speaker, the hon. member has just accused me of saying that we want to create heaps of money. That is why I raise the question of privilege. I said in my speech, and I will give an example, that we want to get a new tap, that is a tap that costs $1 a gallon instead of a tap that costs $100 a gallon—

[*English*]

The Acting Speaker (Mr. Turner): Order, please. I suggest to the hon. member for Bellechasse (Mr. Lambert) that that is not a question of privilege, but a disagreement.

It being five o'clock, the hour appointed for the consideration of private members' business has expired. Therefore this House stands adjourned until Monday next at 2 p.m.

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

APPENDIX

1976-77 Addendum

As the 1975-76 issue of *National Finances* was being printed, final supplementary estimates for 1975-76 and the Main Estimates for 1976-77 were tabled. The table below incorporates these new data on a basis comparable with Table 3-3, page 29 of *National Finances.*

NET BUDGETARY EXPENDITURE BY PRINCIPAL ITEM OR DEPARTMENT
FISCAL YEARS ENDING MARCH 31, 1976 AND 1977

(dollar figures in millions)

	1976[a]		1977[b]	
	($)	(%)	($)	(%)
Interest on public debt	3,930.0	11.3	4,650.0	12.1
National Health and Welfare				
Old age security, spouse's allowance and guaranteed income supplement	4,127.7[c]	11.9	4,506.2	11.7
Canada Assistance Plan	860.1	2.5	926.3	2.4
Hospital insurance	1,739.9	5.0	2,065.0	5.4
Medicare	796.3	2.3	956.7	2.5
Family allowances	1,961.9	5.7	2,013.3	5.2
Health resources fund	20.0	.1	36.7	.1
Other	380.8	1.1	376.9	1.0
	9,886.7[c]	28.5	10,881.0	28.3
Government's contribution to Unemployment Insurance Fund	890.0	2.6	1,700.0	4.4
National Defence	2,975.6	8.6	3,371.1	8.8
Unconditional transfers to provinces	2,755.2	7.9	2,851.1	7.4
Oil compensation payments	1,685.0	4.9	1,410.0	3.7
Manpower training services and allowances	518.5	1.5	525.0	1.4
Payments for post-secondary education	535.0	1.5	538.0	1.4
Bilingualism program	121.2	.3	134.4	.3
Transport				
Air	331.3	1.0	388.0	1.0
Water	376.9	1.1	438.5	1.1
Railways and roads	515.5	1.5	463.2	1.2
Other	66.2	.2	85.3	.2
	1,289.9	3.7	1,375.0	3.6
Public Works road and marine programs	47.2	.1	64.0	.2
Post Office	896.5	2.6	1,122.7	2.9
Indian Affairs and Northern Development	854.4	2.5	949.4	2.5
Agriculture and grains	957.7	2.8	862.2	2.2
Other	7,348.5	21.2	7,983.1	20.8
Total Net Budgetary Expenditure	34,691.4[c]	100.0	38,417.1	100.0

[a] Main and Supplementary Estimates (A) and (B). [b] Main Estimates. [c] Includes non-budgetary expenditures from Old Age Security Fund.

Source: Estimates.

HOUSE OF COMMONS

Monday, November 8, 1976

The House met at 2 p.m.

HOUSE OF COMMONS

CONGRATULATIONS TO LEADER OF OPPOSITION AND NEW LEADER OF THE SOCIAL CREDIT PARTY

Mr. Speaker: Order, please. With the happening over the weekend of two rather blessed events—

Some hon. Members: Hear, hear!

Mr. Speaker: —both in the city of Ottawa—

[*Translation*]

—one at least for the leader of the Progressive Conservative Party, and the other for the leader of the Social Credit Party of Canada.

[*English*]

I am sure that the House will forgive me if I see one or two members for a moment before beginning the question period. I promise faithfully under the circumstances to make up the time at the end. The right hon. Prime Minister.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to echo your own words and congratulate the two heroes of the events over the weekend, and as far as the Leader of the Opposition (Mr. Clark) is concerned to welcome him to the club of fathers. We will be expecting many more cigars in the years to come.

With regard to Le Parti Crédit Social, I would preface my remarks by saying that for some weeks now we have regretted the absence of the hon. member for Témiscamingue (Mr. Caouette) who has spent some time in hospital. We all hope to see him back in the House very soon.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: On behalf of my party, I should also like to extend our congratulations to the hon. member for Lotbinière by welcoming him once more to the House, after the Social Credit leadership convention which was a success for him.

His election seems to reflect youth. Indeed, even though he has been in the House of Commons for nine years, the hon. member for Lotbinière will be only 33 next week. That is in the order of things, Mr. Speaker, for they say that from the demographic viewpoint his constituency is one of the youngest in the country. But in spite of his being young, the new Social Credit leader is one of the senior members in the House, and as the leader of his party in the House of Commons, he acted as a skilled parliamentarian.

He will now have the opportunity to show further evidence of his political talents and we express to him our good wishes. Once more, I congratulate him for his victory and, on behalf of my party, I offer him our best wishes.

[*English*]

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, in my own case I think it not appropriate to refer to a hero. If there were heroics I think it would be more appropriate to refer to two heroines. I should like simply on my own behalf, and on Maureen's and Catherine's, to express my appreciation to my colleagues in the House of Commons for their good wishes, many of them delivered personally. We appreciate them very much. Mother and child are doing very well and the father is recovering.

• (1410)

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Clark: On behalf of my colleagues and on my own behalf, I wish to congratulate the hon. member for Lotbinière (Mr. Fortin) for having acceded to the leadership of the Social Credit Party of Canada. We know it is no easy task to succeed the hon. member for Témiscamingue (Mr. Caouette), but we feel quite confident that the hon. member will be able to maintain the impetus of his predecessor, and that he will fight with as much ardour for the principles of his party and the unity of our country. We extend to him our best wishes for success.

[*English*]

I should say, Mr. Speaker, that I am prepared, however reluctantly, to pass along the title of being the youngest party leader in the House of Commons to my colleague, the hon. member for Lotbinière (Mr. Fortin). That, as the House knows, is a distinction that has passed from the NDP to the PC's to the Social Credit party. We are all naturally waiting to see what might happen next to the title.

Some hon. Members: Hear, hear!

Mr. Clark: When the Prime Minister (Mr. Trudeau) welcomed me to my position as leader of this party, he did me a great honour by saying that I took my position in the tradition of my predecessor, the hon. member for Halifax (Mr. Stanfield). That is a commendation and a compliment that should also be paid to our colleague, the member for Lotbinière. His conduct in the House of Commons has been in the spirit of his predecessor, the hon. member for Temiscamingue (Mr. Caouette) who, as the leader of that party and as one who had an impact upon Canadian affairs, while he might have been

regional in base was always national in outlook and in thinking.

Some hon. Members: Hear, hear!

Mr. Clark: That is a characteristic which is shared by the new leader of his party. Many of us have come to know him personally as a friend. We have come to respect him as a House leader and a parliamentarian. On behalf of my party and myself, I want to extend our congratulations and our welcome to the hon. member for Lotbinière as the leader of his party in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in commenting on the blessed events over the past weekend, I wish to first say on behalf of my colleagues that we are delighted to hear that the women in the Clark household are doing well and progressing in a healthy manner.

Some hon. Members: Hear, hear!

Mr. Broadbent: We extend to both women our heartiest good wishes, and to the father as well. With reference to the latter, given the rather lofty state the Conservative party has maintained in recent months in the Gallup poll, as an old father, I would like to offer some unsolicited advice to the Leader of the Opposition (Mr. Clark) and suggest to him that he spend less time in politics and more time at home with his family.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): He is more successful there.

Mr. Broadbent: Switching immediately to the other blessed event, and on a more serious note, I join with the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) in paying tribute to the former leader of the Social Credit party, the hon. member for Témiscamingue (Mr. Caouette). He was always proud to assert that he was both a Quebecker and a Canadian, an unequivocal federalist. Throughout his political life, he worked to establish harmony between the two principal linguistic groups in this country. Perhaps more than anything else when the history of Réal Caouette's political career is written, that fact will stand out.

Some hon. Members: Hear, hear!

Mr. Broadbent: Also on a personal basis, on behalf of my colleagues and myself I wish to extend our sincere congratulations to the hon. member for Lotbinière (Mr. Fortin). I wish him well. He has worked hard as a member of parliament. He deserves the new position. I can now say that he is making the Leader of the New Democratic Party look responsibly middle aged which is the right age to lead a government in Canada. I would say to him that we will even wish his party continued success and growth so long as it remains, if we are both in opposition, always just after the New Democratic Party in the order of questioning.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, on my own behalf and on that of my colleagues, I wish to thank the right hon. Prime Minister (Mr. Trudeau), the Leader of the Official Opposition (Mr. Clark), and the leader of the New Democratic Party (Mr. Broadbent) for their kind words, both for myself and for the man in whom all hon. members recognize an outstanding Canadian—the hon. member for Témiscamingue (Mr. Caouette).

I am very much aware of the tremendous challenge facing the Social Credit Party of Canada in replacing such a man, but I believe that, over the weekend, we gave the country the picture of a group of serious people, intent upon building this country and cooperating with the others in a spirit of good will. Of course, in politics we have to make electoral gains, and passages of arms are at times inevitable. But there is one thing I have always noticed in this House, that is the solidarity shown by hon. members when time comes to recognize historical facts, as Réal Caouette does, in Canada.

I wish to assure all my colleagues, on both sides of the House, that we are eager to cooperate with all hon. members to get on with the business of the House, to continue doing efficient work and making positive proposals in an effort to improve the lot of our fellow citizens.

In closing, I wish to congratulate the Leader of the Official Opposition on his fatherhood; he pointed out that the honour of having the youngest leader went from the New Democratic Party to the Progressive Conservatives and now goes to the Social Credit Party of Canada; all this to remind him and all the other party leaders that the Social Credit Party of Canada often has the last word.

ORAL QUESTION PERIOD

[*Translation*]

BANK ACT

NEW PROCEDURE FOR CREATION OF BANKS—GOVERNMENT POSITION

Mr. André Fortin (Lotbinière): Mr. Speaker, I am so used to work as a member of a team that I was forgetting my own role.

I should like to direct my question to the Prime Minister. The government tabled in August 1976 a very serious white paper on the decennial review of the Bank Act which, as you know, will soon have to be done. On page 21 of that brief, the government suggests that from now on to become a chartered bank it will no longer be necessary to apply to the Canadian Parliament. It will solely be necessary to obtain letters patent from the Minister of Finance. I should like to ask the Prime Minister whether he is conscious of the fact that it is one of the last powers of Parliament with regard to the banking system and whether he is in a position to answer the House today or

seriously consider the matter to give back further powers to Parliament on the banking system instead of withdrawing them.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this issue of course has to be debated in the House and in the other place, and I do hope it will be thoroughly considered by all parties in the House. However, I would just tell the leader of the Social Credit Party that the aim of this bill is not to give more power to the banks but on the contrary to increase competition, and we hope competition between more numerous banks will benefit savers and borrowers alike. As there will be more banks, we may expect that competition will enable them to make transaction at a lower profit rate.

● (1420)

Mr. Fortin: Mr. Speaker, could the right hon. Prime Minister tell the House how taking power from Parliament could possibly restore competition in the banking system?

Mr. Trudeau: Mr. Speaker, we know through experience that when the government is allowed to charter and create banks, there will be more of them than if, each time, we have to go through a very long debate before Parliament which, for inherent reasons, is generally slower in taking action than the government.

* * *

[*English*]

STATISTICS CANADA

PROPOSED INQUIRY INTO ALLEGED CONFLICT OF INTEREST SITUATIONS OF EMPLOYEES

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce whom I would like to thank for his co-operation in providing some answers, and the inquiries which apparently he has caused the Chief Statistician to make with respect to Statistics Canada's activities. I want to ask the minister whether he would not agree that we have passed the point where an internal inquiry by the Chief Statistician is the appropriate procedure in view of the way in which the Allan Jeffery affair was handled and in view of the unanswered questions on the activities of other employees and indeed on the efficiency of the department itself. Would the minister not now agree that in order to safeguard the reputation of the overwhelming majority of Statistics Canada employees, an inquiry under the Inquiries Act or by an appropriate committee of this House, even a special one, would be the best method to restore public confidence?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not agree at all. I think we have a very good institution there and I do not think it would serve any useful purpose to create doubt about this very good institution. I think the Chief Statistician is doing a very diligent job at this time in trying to restore confidence in that organization, and I do not think that casting doubt on it will serve any purpose. I think that all of us must help the institution to regain the high reputation which this organization had around Canada and abroad. I am satisfied that his predecessor had acted very diligently, and I do not think that the fact that his assistant has given his services to some university has in any way impaired the ability of this organization. I think that if the hon. member wants this organization to keep its reputation he should continue asking questions, if he has any more, or put them on the order paper and I will reply to them as quickly as I can. I do not think that a public inquiry will serve any good purpose in this case.

Some hon. Members: Hear, hear!

ALLEGED CONFLICT OF INTEREST SITUATION OF EMPLOYEES—REASON FOR SECRET MEETING OF OFFICIALS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I appreciate the minister's answer. I want to tell him that I have taken his advise and I have put some more questions on the order paper. I want to thank him again for the questions he has answered.

I have another supplementary question for the minister. Further to press reports last Friday that there was an unprecedented conflict of interest check of 5,600 Statistic Canada's employees, can the minister confirm on a tentative basis why a secret meeting of 80 top ranking Statistic Canada officials was required last week and whether in fact these 80 top officials handed in a written conflict of interest declaration, as the press has reported. I think it is fair to conclude that all these developments are based on more than a minor indiscretion, which is the way the minister labelled it in the first instance.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): I have asked the Chief Statistician to make sure that the institution is well protected, and it was on my advice that he asked everybody to declare to him any conflict of interest or any doubt they may have in their minds. I am satisfied the Chief Statistician is making sure that if there is any conflict of interest the employee will have to choose between his internal job and his external job. However, so far he has reported to me that there is not any serious problem. Of course, there are some experts who are teaching part time at universities in Ottawa, and I do not think the university community of Canada should be deprived of the talent we in the government have managed to get. Of course, if there is any conflict of interest, I have told Dr. Kirkham to tell the employees to make the choice of either staying in or getting out. He said they have made that choice and he is satisfied that, to his knowledge, there is no conflict of interest prevailing at this time within the institution.

Some hon. Members: Hear, hear!

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION OF CONFLICT OF INTEREST SITUATION OF EMPLOYEES—ALLEGED DISAPPOINTMENT WITH SOME ASPECTS OF INVESTIGATION

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a very brief supplementary question for the Solicitor General, further to the question asked last week by the hon. member for Saskatoon-Biggar. Has the minister now ascertained from the officer in charge of the RCMP investigation into Statistics Canada in 1974 whether the conditions found when the force was called in, and the procedures used to notify the force were entirely satisfactory, in view of reports I have received that the police were quite disappointed with some aspects of the investigation?

Hon. Francis Fox (Solicitor General): Mr. Speaker, if that were the case, I am sure the commissioner of the RCMP would have brought the matter to my attention. That has not been done, and I can only presume that the matter was handled to the entire satisfaction of the force.

An hon. Member: Look into it, please.

* * *

STATISTICS CANADA

ACCURACY OF GROSS NATIONAL PRODUCT ESTIMATE—GOVERNMENT ACTION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I too have a question to direct to the Minister of Industry, Trade and Commerce. Would the minister advise the House what action has been taken or what action is planned to correct the problem alluded to in an internal Statistics Canada memo which states that the accuracy of the gross national product estimate has been adversely affected by the deterioration of the component labour income and consumer expenditure which could affect the final GNP figure by an amount of $10 billion annually?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, this is an extremely complex problem. I discussed it with Dr. Kirkham. I am sure that in a few days I shall be in a better position to give a more satisfactory answer to the hon. member, because this is a serious problem. But, due to the very quick changes taking place in statistics, not only in Canada but in other countries as well, and due to new factors that statisticians must obtain, I believe it is normal to be unable to give an absolute answer at this time on that problem. However, I am sure that the high degree of competence of Statistics Canada staff will allow to solve the problem to which the hon. member has just referred.

[*English*]

Mr. Mazankowski: Having regard to the fact that this particular problem would pose very grave implications for the interpretations of GNP figures in Statistics Canada and the fact that forecasting by Statistics Canada has been taken by trends rather than actual facts, and given the importance of accuracy in this particular area, I wonder if the minister would be prepared to table in the House the internal memorandum which was circulated, and also whether he would be prepared to make known the steps the government and Statistics Canada have taken to correct the errors contained in the memorandum.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I shall see what I can do to satisfy the hon. member's request and report to the House as soon as possible.

* * *

[*English*]

INCOME TAX

POSSIBILITY OF AMENDMENTS TO REMOVE INEQUITIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Since the Minister of Finance has received a report presented by the National Council of Welfare which shows, for example, that in 1974 through various inequitable income tax deductions and exemptions the government of Canada lost $6.4 billion in revenue, with the bulk of it going disproportionately to higher income groups, I wonder if the Prime Minister will assure the House that the government will bring forward legislation which will change this for the next taxation year.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the report to which the hon. member refers. I will draw it to the attention of the minister.

Mr. Broadbent: It is unfortunate that the Prime Minister is not aware of one of the most damaging reports of a private agency to come out in a long time. However, following this up, he ought to be aware that a majority of the provinces have made representations to the government urging it to change its present indexing system on taxation. For example, this system will cost the people of Canada, in the next fiscal year, over $1 billion in lost revenue. The system will provide tax benefits in the following order: a family of four earning $50,000 will save $580 and a similar family of four—I will come directly to the question, Mr. Speaker—a similar family, numerically, with a much lower income gets much less of a reduction. Since the majority of the provinces have already appealed to the federal government to abolish this unfair system, I should like to ask the Prime Minister if he will do so?

● (1430)

Mr. Trudeau: I repeat my first answer, Mr. Speaker: the hon. member is referring to a report of which I have no knowledge. I can only say I will look at it and have the Minister of Finance take knowledge of it.

SUGGESTED PUBLICATION OF AMOUNT OF REVENUE LOST THROUGH EXEMPTIONS

Mr. Edward Broadbent (Oshawa-Whitby): I correct the Prime Minister, Mr. Speaker. The second question referred to specific requests that came to his government from provincial governments, not from a report. As a final supplementary, I should like to ask the Prime Minister if he will consider adopting the system which is already in force in the United States which forecasts years in advance the losses to the taxpayers of that country from the various tax exemption provisions that are contained in the legislation of that country. Will he duplicate that public kind of report in Canada so that such information will be available to all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I find it hard to believe that the Leader of the New Democratic Party would be suggesting that we follow a tax system from the United States in part or in whole. As regards the position of the provinces, there is a meeting of the ministers of finance of the provinces with the federal Minister of Finance later this month. If they have representations they will be able to make them directly without the help of the hon. member.

* * *

NATIONAL CAPITAL COMMISSION

NUMBER OF EMPLOYEES MENTIONED IN MR. GALLANT'S LETTER CONCERNING OFFER OF STATISTICS CANADA EMPLOYEES TO SELL INFORMATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, my question is for the Minister of State for Urban Affairs but I notice he is not here so I should like to put it to the acting minister. On November 2 I asked a question to which the then minister replied that for the time being he would prefer not to table the correspondence between Mr. Gallant and Mr. Gordon Robertson in connection with the selling of data by Statistics Canada employees because, as he said, "It mentions individuals by name." Would the acting minister confirm that more than one employee of Statistics Canada was mentioned by name in that correspondence?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, I am in no position to confirm that there is more than one. All I can say is that the answer of the minister still stands, and we are looking into it.

Mr. Baker (Grenville-Carleton): Mr. Speaker, my supplementary question is for the acting minister or whoever is speaking for the government on this matter. In view of the fact that the minister is new, could the parliamentary secretary assure me and the House that he will bring my question of November 2 to his attention so that he, like his predecessor, can attempt to give an answer to it?

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I think the minister is quite well aware of that but there is a question of confidentiality here. I think it has been the practice that correspondence between employees of the Canadian government at that level is considered confidential.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I do not want the parliamentary secretary to be misled. He will note that I have not asked for names; all I have asked for is confirmation regarding the number of employees at Statistics Canada who were mentioned in the correspondence. I have not yet asked for names but I assume they will be forthcoming later.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I shall take note of the question.

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INQUIRY OF THE MINISTRY

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister without Portfolio from the province of Manitoba for as Manitoba goes so goes the nation. The hon. gentleman seems to be very restless these days. As a fellow Manitoban, I should like to congratulate him on his elevation to this responsibility—

Some hon. Members: Hear, hear!

Mr. Dinsdale: —for the province that is referred to as the keystone province—for as Manitoba goes, so goes the nation. In light of that statement and the protests reflected in the vote of that other important election that was held last Tuesday in Manitoba where the Conservative leader emerged a strong number one—

Some hon. Members: Hear, hear!

Mr. Dinsdale: —the Liberal candidate, a charming lady—

Some hon. Members: Hear, hear!

Some hon. Members: Order, order!

Mr. Speaker: Order, please. I am trying to be as lenient as I can under the circumstances.

Mr. Dinsdale: Mr. Speaker, this is preparing the way for the question. The Liberal candidate was a charming lady and we are all aware of the political power—

Mr. Speaker: Order, please. We are in serious difficulty to start with in that it has never been the practice to put questions to a minister in terms of his geographic location rather than his area of responsibility.

An hon. Member: That is his only responsibility.

Mr. Dinsdale: My question is: in light of the keystone province where the New Democratic Party came number three, can the minister—

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings.

Oral Questions

INDUSTRY

INCENTIVES FOR RESEARCH AND DEVELOPMENT—GOVERNMENT ACTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. As the Prime Minister quite rightly said in Tokyo, if we are going to get more export business we must pull up our socks and develop our technology, can the minister inform the House when we may expect him to introduce incentives to induce greater research and development in this country, thereby greatly increasing our technology which the Prime Minister said we need so badly and will these incentives be paid in direct proportion to the increase in effort?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, Canadians will have to wake up and become competitive on the international market. Everybody must understand also that Canadian economic health depends a lot on our exports. As for tax rebates or other concessions made to help research and development in Canada, I am examining the whole question and I hope that we shall be able to help Canadian industry gain a better competitive position in the world.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, as that was, of course, no answer at all I should like to direct a supplementary question to the Minister of Transport and hope for some better luck. Is the meaning of the minister's "user-pay" transport policy that he uses the equipment and the taxpayers pay for it?

* * *

AIR TRANSPORT

STATUS OF APPLICATION TO SERVE ATLANTIC REGION—REQUEST FOR REPORT

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I have a serious question for the Minister of Transport. In view of the great need for a modern air passenger service in Atlantic Canada, a matter which I brought to the attention of the House in June of this year, would the minister advise the House of the status of the applications for class two licences now before the Canadian Transport Commission? Would the minister also inquire when we might expect a decision on these applications by the CTC in order to alleviate a most serious air passenger problem regarding air transportation facilities not only in New Brunswick but in Atlantic Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I think we are all very conscious of the great importance attached to this question by people in the Atlantic region. I am sure the CTC is aware of that as well. They have a total of three applications before them in relation to the area and they are working on them. They are, of course, working on them. I do not have an indication as to when those judgments are likely to come down, either singly, or the three together. I assure the hon. member that the matter is before the CTC; they are conscious of the interest in the area, and so am I.

* * *

● (1440)

GOVERNMENT ADMINISTRATION

SUGGESTING SETTING OF GUIDELINES FOR USE OF GOVERNMENT AIRCRAFT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Prime Minister. In view of press reports that the Minister of Transport took a government Jet to Saskatoon again this week end, to speak to a group of young Liberals among others in that city, and since the minister spent about $750,000 on trips in government aircraft during the last three years, I ask the Prime Minister, seriously, if he will undertake to set strict guidelines for the use of government aircraft by cabinet ministers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the guidelines do exist and they are quite strict. They are to the effect that if the minister is travelling on government business and that is by far the most efficient way of doing his business, he is entitled to use government aircraft. As the minister indicated, and this is so particularly for ministers who live in the more distant parts of Canada, it really is a question of making sure that the federal government is aware of the existence and feelings of various groups and in a position to meet and communicate with them as frequently as possible while ministers stay in Ottawa and carry out their departmental and House duties.

Mr. Nystrom: A supplementary question, Mr. Speaker. Does the Prime Minister consider a meeting of the young Liberals to be official government business?

Mr. Paproski: There are not that many Liberals in western Canada.

Mr. Nystrom: If he does not, will he ask the Minister of Transport to exercise his user-pay policy and repay the treasury the money it costs to run government aircraft on such trips?

Some hon. Members: Oh, oh!

NATIONAL DEFENCE

POSSIBLE CHANGE IN LOCATION OF AIRBORNE REGIMENT—GOVERNMENT POSITION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Defence. In view of disquieting rumours and reports to the effect that the Department of National Defence is determined to move the Canadian Airborne Regiment now in Edmonton to a new location in eastern Canada and change significantly the organizational structure, and since continued uncertainty about their future and the serious impact of such a material change would have adverse effects on the morale of officers and men in this corps d'elite, will the minister please advise the House if the Edmonton Airborne Regiment is one of those contemplated in the move?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, certainly, our armed forces are determined. I thank the hon. member for using that phrase in the opening part of his question. I have not made a decision so far. I realize the uncertainty. All options are open, and I want to remove that uncertainty as soon as possible. I do not want to shoot from the hip, because I know many people are concerned about the move.

Mr. Paproski: A supplementary question, Mr. Speaker. The predecessor to the minister, the hon. member for Winnipeg South, resigned from the cabinet because, in part, western Canada was not receiving reasonable attention. Will the minister give assurance that he has a feeling for western Canada and its people and that he will stop this unsound military proposal to achieve obscure military objectives?

* * *

ENERGY

REQUEST FOR DELAY OF PERMISSION TO QUEBEC TO EXPORT ELECTRICITY UNTIL NEWFOUNDLAND'S DEMANDS SETTLED

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In light of the decision taken on Friday by the National Energy Board to grant a permit to Hydro-Quebec for the export of 800 megawatts of power to New York at a time when Newfoundland is being denied the right to recall some of this power under the Churchill Falls agreement and when this matter is being considered by the courts, I ask the minister if he intends to recommend to his cabinet colleagues the setting aside of this decision until the matter can be resolved to the satisfaction of Newfoundland and Quebec?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): No, Mr. Speaker.

Mr. McGrath: A supplementary question, Mr. Speaker. Since the Atlantic provinces are suffering from a severe energy shortage at a time when Labrador hydro power could be funnelled into the region to satisfy some of its needs, would the minister use the offices of the federal government to bring pressure to bear on the government of Quebec and so allow Newfoundland to recall some of this power? This would make it economically viable for the province to build transmission lines and open the way for including this power in the Atlantic grid.

Mr. Gillespie: Mr. Speaker, the hon. member is trying to draw me into the discussion of a matter now before the courts. He should realize that it would be inappropriate for me to make any comment. I can say that I am most interested in the development of Gull Island and interested in assisting Newfoundland to develop this resource, for the use of the rest of Canada including the Maritimes. Toward that end the government has already made an offer of $343 million, for half the financing of a transmission line. We are looking at other opportunities as well.

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EXTERNAL AFFAIRS

DISCUSSIONS WITH FRANCE ON EXPORT OF NUCLEAR TECHNOLOGY AND ENRICHED URANIUM PLANT AT JAMES BAY

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is for the Secretary of State for External Affairs. During his talks in Paris last week did the minister seek from the French authorities an agreement on a moratorium on exports of nuclear technology until such time as a more satisfactory system of international inspection is achieved over the possible use of nuclear spent fuel for other purposes than peaceful ones?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, there was quite a detailed and lengthy discussion of the whole question of non-proliferation. The French government advised me of the memorandum which they had issued just a few days before and indicated what changes had taken place in their position. I do not think it would be accurate to describe it as a total moratorium but, certainly, it moves a considerable distance toward the position which Canada and other countries have taken. The meeting of the suppliers group, which is under way in London this week I think, will be considering this question in more detail. Of course, we shall watch closely what happens in the United States in the next two or three months. I mention these points because they have a direct bearing on the Canada-French discussions on the non-proliferation question.

Mr. Wagner: A supplementary question, Mr. Speaker. While in Paris did the minister discuss at any length the French proposal for an enriched uranium plant in the James Bay area?

Mr. Jamieson: No, Mr. Speaker, this matter was not discussed in detail. To the best of my knowledge, I think it merely came up in casual conversation but nothing substantive was said about it by either side.

Oral Questions

TRANSPORT

REQUEST FOR ACTION TO ENABLE SOME COMMUNITIES TO PARTICIPATE IN RAILWAY RELOCATION PROGRAM

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, may I direct my question to the Minister of Transport? As the cost-sharing formula in the railway relocation legislation makes it impossible for many towns and communities to participate in the program, will the minister consider the introduction of amendments which will make it possible for less affluent communities to proceed with plans to remove serious inconveniences and eliminate safety hazards occasioned by the presence of railway lines in heavily populated areas?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am always pleased to consider improvements to legislation. I had not been aware of such impediments before and I know that small but vigorous communities, such as Regina in Saskatchewan, have been going ahead with plans.

Mr. Patterson: A supplementary question, Mr. Speaker. Since in many small communities railway lines constitute a real hazard in connection with the provision of emergency services to parts of such communities, I wonder if the minister would consider an amendment along the lines I suggested.

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CANADIAN NATIONAL RAILWAYS

REDUCTION OF STAFF IN NEWFOUNDLAND—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, on October 27 I asked the minister a question about the reduction of CN staff in Newfoundland. He said he would investigate. Since there have been further announcements of cutbacks, can the minister say if he has received the report? If not, will he ask CN to desist from further staff reductions until that report is received?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, more accurately, I indicated to the hon. member that the question of staffing is largely a management one for Canadian National, but that I would investigate specifically his allegation that the cuts were being made contrary to statements by Canadian National that no cuts would be made. I investigated that and found, according to Canadian National, that in one particular location it was indicated that a post would not be closed, not that there would not be any cuts there and in other places. Of course, the whole question of Canadian National and its organization in Newfoundland is a complicated and long-range one. At this time I wanted to give the hon. member a brief report.

[Mr. Jamieson.]

AIRPORTS

GANDER—CHANGES IN HOLDING FACILITIES FOR IN-TRANSIT INTERNATIONAL PASSENGERS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Transport in the absence of the Minister of National Revenue and the absence of the Minister of Manpower and Immigration, both of whom are involved in the matter. Will the minister advise the House what plans the Ministry of Transport has for the alteration of the airport facilities at Gander, in the light of reports that for the past ten years in-transit passengers on international aircraft have been able to wander about the airport, even into the town of Gander, without complying with the formalities of either customs or immigration? What steps have been taken to remedy this situation from the custodial point of view since the incident complained of by Iron Curtain countries?

● (1450)

Hon. Otto E. Lang (Minister of Transport): The problem arose when concern was expressed as to whether rules with regard to immigration and customs were being ignored under the procedures being followed. When this concern surfaced, it became apparent that modifications were required to the holding facilities at Gander Airport, because if the rules were strictly applied it would cause great inconvenience and make it almost impossible for aircraft to land there and use Gander to the full. Since we wished to ensure that Gander was available, and that it was used as much as possible we made immediate short-run plans to deal with the situation and long-run plans to provide adequate facilities for holding passengers who were not clearing at Gander.

Mr. Lambert (Edmonton West): May I ask whether the short-run plans are merely to hold passengers in the plane? Second, how soon does the hon. gentleman expect the longer-term expansion of the facilities to take; and, third, will those facilities include the possibility of customs pre-clearance in the case of passengers flying on to either Malton or Mirabel?

Mr. Lang: Since the question was raised only a short time ago the plans are still being developed and I cannot give the hon. member an exact timetable as to when the longer run plans will be implemented. The short-run plans are designed to allow passengers off the aircraft and into the terminal building. The difficulty is that this allows them access to some facilities while restricting access to others. We hope eventually to clear up this situation.

* * *

INCOME TAX ACT

POSSIBILITY OF CHANGES TO MAKE PROVISIONS MORE EQUITABLE

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I have a question for the Acting Minister of Finance. Will the Minister of Finance give consideration to having an independ-

ent study conducted of the apparent anomalies in the Income Tax Act which appear to favour wealthy Canadians as opposed to those in the lower and middle income groups? I refer to such things as allowing interest and depreciation on rental property to be classed as income deductions in the case of landlords but not in the case of home-owners, travel deductions for wealthy businessmen—

Mr. Speaker: Order, please. That information may be sought in another way.

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[*Translation*]

EXTERNAL AFFAIRS

REPORT OF UNITED NATIONS COMMITTEE ON ISRAELI PRACTICES IN OCCUPIED TERRITORY—GOVERNMENT POSITION

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs.

In view of the tabling before the UN special political commission of paper A31-218 on October 1, 1976, entitled: Report of the Special Committee to Investigate Israel Practices Affecting the Human Rights of the Population of Occupied Territories and in view of the conclusions of this report drawn by an independent firm of consultant engineers under the responsibility of Swiss engineer Edward Gruner, according to which the destruction of 4,088 homes in the city of Quneitra was caused by systematic and deliberate action, does the minister envisage to recommend that Canada ratify the conclusions of the report by casting a positive ballot when the resolution is presented before the special political committee?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): In large measure the question is hypothetical inasmuch as the resolution related to this report has not yet been received. I am, therefore, in no position to indicate what Canada's reaction will be.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, before addressing my question to the Secretary of State for External Affairs I should like to call attention to the presence in the gallery to your right of the Speaker of—

[*Translation*]

SOUTH AFRICA AND RHODESIA—INQUIRY AS TO POSSIBILITY OF CANADIAN INTERVENTION IN CONFLICTS

Mr. Speaker: Order, please. If the hon. member for Shefford has a question, I suggest he should ask it immediately.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct my question to the Secretary of State for External Affairs.

In view of current events in South Africa and Rhodesia, can the Secretary of State for External Affairs assure the House that the Canadian government will not intervene, adopting a neutral position in this conflict? What does the Canadian government intend to do with regard to the requests it is receiving from all over the world urging it to intervene?

[*English*]

Hon. Donald C. Jamieson (Secretary of State for External Affairs): There have been no such requests for any intervention, participation or involvement by Canada in any other way in matters relating to Rhodesia. A number of speculative stories have appeared and a number of proposals are being discussed in one form or another but to this moment, at least, nothing specific has been asked of the government of Canada.

RHODESIA—POSSIBILITY OF CANADA TAKING REFUGEES

Mr. Jake Epp (Provencher): Has a direct request been made to Canadian officials by United States officials in connection with Rhodesia settlement question that Canada take a certain number of refugees from Rhodesia?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): No, Mr. Speaker. I want to take advantage of this opportunity to re-emphasize that under no circumstances and at no time has any request been made to us by any country, including the United States, for consideration to be given to that matter.

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CRIMINAL CODE

POSSIBILITY ADVERTISEMENTS FOR ABORTIONS BREACH OF PROVISIONS—REQUEST FOR INVESTIGATION AND TABLING OF BADGLEY REPORT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Justice. It relates to a motion I put forward on Friday. In the light of a statement made by the minister thereafter that he knows of no law in Canada to prevent the publication of advertisements across the country soliciting abortions, and in light of the fact that section 251 of the Criminal Code makes it illegal to aid and abet, will the minister investigate this matter within the purview of his responsibility as Minister of Justice and principal law officer of the Crown, and will he likewise consult with his counterparts at the provincial level, the attorneys general of the provinces, to determine whether the section of the Code I mentioned has, indeed, been breached?

Hon. Ron Basford (Minister of Justice): As I have stated both inside and outside the House, a committee under the chairmanship of Dr. Robin Badgley is examining the operation of the whole of the law relating to abortion. In the course of its work, the committee has examined the operation of referral agencies outside Canada. As to the specific question asked by the hon. member, I shall be pleased to take that up with my provincial counterparts to ensure that any advertisements

which appear do not offend the provisions of the Criminal Code.

Mr. Woolliams: To follow up that answer, may I ask whether the hon. gentleman has received the Badgley Report? If he has, will he file it and if not, will he give an undertaking that it will be tabled in the House of Commons so that the public and members of the House may know what it contains?

Mr. Basford: Yes, Mr. Speaker. I have not yet received the report but I understand the work of the committee has been completed and that its members are preparing their report and having it translated into both official languages. As soon as it is available it will be tabled as the hon. member asks. Such an undertaking was given at the time the committee was appointed.

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COMMUNICATIONS

ARRANGEMENT BETWEEN TELESAT AND TRANS-CANADA TELEPHONE—POSSIBLE DISADVANTAGE TO CNCP—GOVERNMENT POSITION

Mr. J. Patrick Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Communications. Has the government approved of an in-part *de facto* merger or contractual arrangement between Telsat and Trans-Canada Telephone Systems whereby in exchange for a cash flow from Telesat it will be guaranteed the use of transponders in the building of three new satellites?

[*Translation*]

Hon. Jeanne Sauvé (Minister of Communications): Yes, Mr. Speaker, we have agreed to this request by those two corporations to make an arrangement whereby the renting of space on the satellite would be done by the grouping of telephone companies and Telesat so that we might ensure for the future more profitable operations to Telesat.

[*English*]

Mr. Nowlan: I thank the minister for that answer as far as it goes. But in the course of these arrangements was due consideration given to the fact that Telesat will be playing a very active role in TCTS, as part of the trans-continental telephone system and thus would be well placed to take unfair advantage vis-à-vis the other communication system in this country, CNCP quite apart from the governmental regulatory body which also controls and directs TCTS? Is there not a potential conflict of interest?

Mrs. Sauvé: The role which will be played by Telesat is not different from that of the other members of this proposed arrangement between TCTS and Telesat. Telesat will maintain its corporate identity but it will have full membership in TCTS and will have the same veto power and the same role as other members of TCTS. As for CNCP, which the hon. member feels is at a disadvantage in this new arrangement between Telesat and TCTS, Telesat has obtained a full guarantee in light of this new arrangement that CNCP will have access at the same price, without discrimination, to space on the satellite, so it will not be in a disadvantageous position vis-à-vis the other carriers.

* * *

● (1500)

ENVIRONMENTAL AFFAIRS

REASON FOR FAILURE TO APPOINT NEW ENVIRONMENTAL PANEL TO STUDY PROPOSED THIRD RUNWAY AT VANCOUVER AIRPORT

Mr. John A. Fraser (Vancouver South): Mr. Speaker, my question is to the Minister of Fisheries and the Environment and concerns the proposed third runway at Vancouver airport. In view of the fact that an environmental panel was established in July of this year and has since been disbanded, would the minister advise the House why the panel has been disbanded and why, at least until last Tuesday night, no new panel had been established?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, I would have to check with my colleague who sits in front of me. I understand the decision was to examine the possibility of doing the construction within the existing dykes, in which case, of course, the problem would be very different from extending out into the estuary. However, I will look at the facts and try to answer the hon. member's question tomorrow.

Mr. Fraser: A supplementary question, Mr. Speaker. I wonder whether the minister would be kind enough to undertake to give the House and the public a release of the terms of reference of the proposed environmental study?

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, I will certainly look into this. I see no reason why the terms of reference could not be indicated.

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SUPPLY AND SERVICES

REQUEST MINISTER TABLE LETTER TO PRESIDENT OF TREASURY BOARD CONCERNING LONG-RANGE PATROL AIRCRAFT CONTRACT

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services. Has the minister had an opportunity to examine the question I put to him on October 29 with respect to tabling the letter that the minister wrote on March 1, 1976 on the subject of his knowledge and recommendations respecting the LRPA contract that he sent to the then president of the Treasury Board? Will the minister table the letter at the earliest opportunity?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I have considered the hon. member's request,

and since there is reference in the letter to cabinet decisions or documents, I think that in those circumstances it would not be advisable to make this letter public.

[*English*]

REQUEST FOR TABLING OF ATTACHMENTS TO CONTRACT FOR PURCHASE OF "AURORA"

Mr. Allan B. McKinnon (Victoria): A supplementary question, Mr. Speaker. With reference to the contract between the Lockheed Corporation and the government for the purchase of the Aurora which the minister tabled four weeks ago, would the minister now table the annexes, schedules, attachments and other documents referred to in article 2.1 of the contract which, according to that article, form part of the contract and therefore should have been tabled at that time?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, those documents could be eight to ten inches thick. I do not know whether the hon. member realizes the amount of work that the translation would represent. In any event, there is nothing to hide. If the hon. member wants to consult the documents, I invite him to do so and I offer him my services.

* * *

[*English*]

ANTI-INFLATION PROGRAM

INCREASE IN PENSIONS OF EMPLOYEES AT EXECUTIVE LEVEL EXCEEDING GUIDELINES—POSSIBILITY OF INCREASE FOR OTHER CATEGORIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question could have been put to the Minister of Finance or to the Minister of National Revenue, or perhaps to both of them, but in their absence may I put it to the right hon. the Prime Minister. In view of the restraint that the government is practising with respect to pensions, as demonstrated by its opposition to a review of widows' pensions two weeks ago tomorrow, would the government reconsider two rules that were announced at the end of last week, one by the Department of National Revenue, the other by the Anti-Inflation Board, that permit the pensions of top executives to rise from a maximum of $40,000 a year to $60,000 a year, contrary to the whole spirit of the anti-inflation program?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, that is a representation that I will be glad to bring to the attention of the minister.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, my supplementary question is obviously on a matter of policy. So may I direct it again to the right hon. Prime Minister. Since the government is agreeing to a 50 per cent increase in the pensions of top executives, will it bring in proposals for a 50 per cent increase in old age pensions, widows' pensions and war veterans' pensions?

Mr. Kaplan: Mr. Speaker, again I will bring that question to the attention of the minister.

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ADMINISTRATION OF JUSTICE

REQUEST BY MR. PELTIER THAT CANADA REFUSE HIS EXTRADITION TO UNITED STATES—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I should like to direct my question to the Minister of Justice. Mr. Leonard Peltier, a Sioux from the Pine Ridge reservation in South Dakota, is accused in the United States of murdering two FBI agents and of two attempted murders and a burglary. I understand that the gentleman in question has asked for political asylum in Canada on the basis that he is innocent of these charges and feels that he will not be safe if he returns to the United States. Since the Minister of Justice is in charge of extradition proceedings or at least has designated a lawyer to prosecute, I wonder whether the minister can tell the House if he has received this representation and if it is his intention in fact to comply with the request for political asylum on the part of Mr. Peltier?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I think "political asylum" would be a wrong use of words. The facts in Leonard Peltier's case are that there was an application for extradition which has been heard at trial in British Columbia, with an appeal to the Federal Court which was dismissed. I have indicated to Mr. Peltier's counsel that I was prepared, subject to further legal proceedings being taken, to receive written submissions from him on behalf of Mr. Peltier and, if he wishes, to have oral submissions made to me in support of the written submissions.

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a supplementary question for the Minister. Would he advise the House why he would interfere with a court decision that we should take this man out of the country?

Mr. Basford: Mr. Speaker, that is a very pejorative question and the hon. member, not being a lawyer, may be excused his use of the word "interfere". As my hon. friend from Calgary knows, there are several sections under the Extradition Act. Some apply to court proceedings, and others refer to the minister—the question as to whether a warrant for extradition will in fact be signed. The latter is a decision, not for the court but for the minister.

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EXTERNAL AFFAIRS

SOVIET UNION—DISCUSSION WITH MR. GROMYKO ABOUT PERMISSION TO MRS. BIBERSHTEIN TO JOIN FAMILY IN CANADA

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question is for the Secretary of State for

External Affairs and relates to his discussions with Soviet foreign minister Gromyko about the question of reunification of families. When the Secretary of State for External Affairs was talking with Mr. Gromyko, did he specifically raise the case of Nailya Bibershtein with the foreign minister? If not, has the Bibershtein case been raised with the Russians since that time and, if so, by whom?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I hope that the hon. member will permit me some slight qualification of the second part of his question. I instructed our embassy in Moscow to submit the names of all outstanding cases. I assume that the case to which the hon. member refers was included in those names, but I would have to make a specific inquiry. So I make that qualification. I did not raise it or any other individual case with the foreign minister.

SOVIET UNION—DISCUSSION WITH MR. GROMYKO CONCERNING HELSINKI AGREEMENT

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): A supplementary question, Mr. Speaker. I thank the minister for his answer but may I ask him whether, during the discussions which the Secretary of State for External Affairs conducted with the Russians, he stressed to the Russians that this country expects the Soviet government to live up to the terms of the Helsinki agreement as they refer to the reunification of families; and, if so, did he indicate any steps that might be taken by Canada, such as being hesitant to sign one-sided agreements, if the Soviet government continues to refuse to abide by agreements to which they are a signatory?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, there was no—if the word is appropriate—threat on my part or anything of that nature. I consider that the best way to advance this cause is to keep making the kind of statement that I did make, and which the hon. member paraphrased. But I did not couple it to any comments about what future action might be taken in the event of non-compliance.

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. LANG—REMARK OF MR. NYSTROM

Mr. Speaker: Order, please. The Minister of Transport, on a question of privilege.

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I rise on a question of privilege, first of all to clarify the kind of comment that was made by the hon. member for Yorkton-Melville (Mr. Nystrom). I claim that I would not ordinarily have to tell the House what government business I am doing across the country except, perhaps, to assure the House that I am usually very busy at it. However, I do want to comment on the very erroneous reference to my using a Jetstar for a meeting of Young Liberals, which ignores this fact. I must say Young Liberals from all over western Canada are very vigorous and are doing a great job.

• (1510)

Some hon. Members: Hear, hear!

Mr. Lang: In addition to that meeting with several hundred Young Liberals from all over the west, during the course of the weekend I met with a group of beef producers from Alberta who obviously are not being very well represented by their members, so they came to Saskatoon to see me.

Some hon. Members: Oh, oh!

Mr. Lang: I spoke to university students on matters of government interest. I met representatives of Serena Canada, and I met the aviation committee of the Chamber of Commerce and spoke to the Chamber of Commerce at Melfort, Saskatchewan, in the constituency of the right hon. member for Prince Albert (Mr. Diefenbaker). I want to make quite clear that the record shows that. I appreciate that the question was first raised by the hon. member for Prince Edward-Hastings (Mr. Hees), who in his wisdom as minister of transport put in the first order for a Jetstar, as I understand it.

Mr. Hees: This is a straight political speech.

Mr. Lang: I want to make it clear that the record of cost, as shown, includes the total cost—

Mr. Speaker: Order, please. The extent to which a member is entitled to go, on a question of privilege, in clarifying a reference made on the opposite side is always a very difficult matter for the Chair. The reference was made by way of a question today which I ruled out of order, whether it was considered that a meeting of Young Liberals was, in fact, government business.

The minister has risen on a question of privilege. I was prepared to let him go at least to the extent of indicating that the trip did involve other government business, which he has now done. This is an area that can only lead to a very partisan debate. It is not the proper subject of a question of privilege. I do not propose to let the matter go any further unless the minister is prepared forthwith to put some motion of privilege calling for a decision of the Chair. If not, I think the matter ought to close.

MR. DINSDALE—ANSWER TO QUESTION PUT LAST THURSDAY BY MR. LAWRENCE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I rise on a question of privilege concerning a question I asked today. I trust I can remain within the rules. This arises from a question asked last Thursday by the hon. member for North-

umberland-Durham (Mr. Lawrence) to which the following reply was given:

—one of my responsibilities will be to represent the people of Manitoba to the best of my ability.

What we are trying to do is to get the terms of reference of the responsibilities of the Minister without Portfolio (Mr. Guay). In light of that reply, I seek your judgment, sir, as to whether it is possible for the Minister without Portfolio to deal specifically with questions relating to the province he represents, because there are many long-outstanding problems there, or whether he has a wider area of responsibility. That is the question I was trying to pose today.

Mr. Speaker: The hon. member for Brandon-Souris (Mr. Dinsdale) raises an interesting point of order. I did, finally, refuse to let his question be answered. In fact, he never got to the point of putting the question. In any event, I tried a couple of times to draw him gently to the point of the question. His continued reference to a political result and situation in Manitoba was in an effort to put a question to the minister with respect to his presumed geographic representation of the province of Manitoba. That is a question which has consistently been rejected in the past.

Several questions in the past have been sought by members to be put to ministers in their direction of the political party in a region. That has consistently been turned down. The strict scope of the question period is clearly understood to be that which falls within the administrative competence of the government. Certainly, that is a political responsibility and not an administrative one.

Last week, as a first question of the hon. member for Northumberland-Durham (Mr. Lawrence), a question was put as to exactly what the responsibilities of the new minister were. Of course, until I hear the answer I cannot tell what they will be. The minister's first answer was, if I recall correctly, to represent the people of Manitoba. That is a nice answer on his part, but does not alter the basic rules. He will have to adopt more responsibilities if questions are to be put within an administrative sphere. I cannot permit questions to go on a geographic responsibility, inviting as they may be.

Mrs. Holt: Mr. Speaker, I rise on a point of order. It arises out of a statement made by the hon. member for Brandon-Souris (Mr. Dinsdale) during question period. As you know, Mr. Speaker, I do not have to answer for the responsibility of the Minister without Portfolio or chief government whip. However, I am concerned about the form of the question of the hon. member for Brandon-Souris.

Mr. Speaker: Order, please. With due respect, concern about the form of a question is for the Chair. I took action by not permitting the question to be put.

Mrs. Holt: May I explain the point of order? You ruled, Mr. Speaker, that you do not have to rule on geographic questions. I suggest, with the greatest respect, that do you have to rule, either, on a lady's charm.

Some hon. Members: Hear, hear!

Mr. Dinsdale: You've got charm, Simma.

* * *

CANADA ELECTIONS ACT

MEASURE TO APPOINT ANOTHER ELECTOR AS PROXY VOTER

Mr. Bill Clarke (Vancouver Quadra) moved for leave to introduce Bill C-379, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. Clarke: Mr. Speaker, at present, proxy voting is available only to voters who are unable to cast their ballots at the advance polls or on election day because of illness or physical incapacity, because of absence in the course of employment as a fisherman, mariner or prospector, or because of absence while a full-time student at a Canadian educational institution.

This bill proposes to allow proxy voting for voters absent for any purpose, including business, vacation or compassionate travel, and will also eliminate the need for medical certificates for illness or incapacity and the need for a registrar's statement for students. The bill further proposes to allow the urban voter a right presently allowed only to the rural voter; that is, the right of a qualified voter whose name has been omitted from the list of electors to cast his ballot upon being vouched for by an elector whose name appears on the official list of electors.

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

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STANDING JOINT COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENT

CONCURRENCE IN FIRST REPORT

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I was going to move a motion seconded by the charming lady from Vancouver-Kingsway (Mrs. Holt), but perhaps it can be seconded by the hon. member for Fraser Valley East (Mr. Patterson). The motion is as follows:

That the first report of the Standing Joint Committee on Regulations and other Statutory Instruments, presented to the House on Thursday, November 4, 1976, be concurred in.

Motion agreed to.

* * *

• (1520)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following ques-

tions will be answered today: 10, 34, 82, 363, 367, 498, 641 and 697.

[*Text*]

FOREIGN DIPLOMATS AND EMBASSY PERSONNEL

Question No. 10—**Mr. Cossitt:**

1. Since April 20, 1968, how many foreign diplomats or embassy personnel stationed in Canada left the country as a result of (a) the request (b) the suggestion (c) direct or indirect action on the part of the Canadian government and, in each case (i) what were their names (ii) what countries were they from (iii) on what date did they leave Canada (iv) for what reason did they leave?

2. Were all such incidents made public at the time and, if not, for what reason?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. Three. (a) (i) Lieut. Col. V. S. Didenko; (ii) USSR; (iii) May 24, 1968; (iv) Retaliation for expulsion from the USSR of the Canadian Assistant Military Attaché. (b) (i) Janos Hegedus; (ii) Hungarian People's Republic; (iii) January 10, 1970; (iv) Activities incompatible with diplomatic status. (c) (i) Kuo Ching-an; (ii) People's Republic of China; (iii) May 2, 1975; (iv) Activities incompatible with diplomatic status.

2. Yes.

PUBLIC WORKS—TENDERS FOR NEW CARPET IN LA CITÉ PROJECT—MONTREAL, QUEBEC

Question No. 34—**Mr. Cossitt:**

1. With reference to the answer to Question No. 4,109 of the First Session of the 30th Parliament, which stated in part that new carpet valued at $77,443 is being used by the Secretary of State in the premises rented in *La Cité* project in Montreal, were tenders called and (a) if so (i) on what date (ii) were they publicly advertised and, if so, in what publications; (b) if not, for what reasons; (c) were they invited tenders and, if so, what are the names and addresses of all those invited to tender and where were such names obtained?

2. What are the names, addresses and amounts of all tenders received?

Hon. Judd Buchanan (Minister of Public Works): 1. (a) Tenders were not called by the Department of Public Works. (i) Not applicable; (ii) Not applicable. (b) Not applicable. (c) The onwer of the *La Cité* building invited the following contractors to tender for our project by invited tenders: Savoie et Sauvé, 5060 Charleroi, Montréal N.—Date of request for quotations: March 8/76 $77,443. Roy & Fils, 3399 Metropolitan Blvd., St. Michèle—Date of request for quotations: March 19/76 $79,423. Provincial Flooring, 4228 Decarie Blvd., Montréal—Date of request for quotations: March 15/76 $84,793. Jérôme Myers, Place Bonaventure, Montréal—Date of request for quotations: Feb. 26/76 $86,013. Lemnor Interiors, 4020 Côte Vertu, Montréal—Date of request for quotations: March 9/76 $86,026. In the case of this project, the Department of Public Works was authorized to award directly to the owner, a contract for fitting up the space to be occupied by the Government of Canada. In such circumstances the owner is free to select the number of tenders he wishes to invite and to decide which one he wants as contractor. The Department in such cases, asks owners for estimates and requires prices to be competitive and to meet the estimates of our appraisers. In the case of *La Cité*, these two criteria were met.

2. See 1 (c) above.

EXTERNAL AFFAIRS—FRANCOPHONE INSTITUTIONS DIVISION

Question No. 82—**Mr. Cossitt:**

1. Does the Annual Report of the Department of External Affairs for 1975 contain a Departmental Headquarters Organization Chart on pages 86-87?

2. Does the chart show a Francophone Institutions Division and, if so (a) what is a full description of the purpose of the Division (b) how many persons are employed there (c) what is its total annual budget for all expenses?

3. Does the Department have an Anglophone Institutions Division and, if not, for what reason?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): 1. Yes.

2. Yes. The annual report also gives a general indication of the functions and activities of the Francophone Institutions Division, which, along with the Commonwealth Institutions Division and the Federal-Provincial Co-ordination Division, is attached to the Bureau of Co-ordination. (a) More specifically, the Francophone Institutions Division is responsible for all aspects of Canada's participation in multilateral intergovernmental and non-governmental organizations forming part of what is commonly referred to as la Francophonie internationale (the international French-speaking community). In this way, the Division, under the authority of the Secretary of State for External Affairs, co-operates in the development and implementation of Canadian government policy with regard to the international French-speaking community and, in this regard, with the countries and organizations forming part of it. Additionally, the Division is responsible for co-ordination and liaison, on the one hand with the many departments and agencies of the Canadian government which participate in the programs and activities of the international French-speaking community, and on the other hand with the provinces of Quebec, Ontario, New Brunswick and Manitoba, which also have some involvement in the Community. At the intergovernmental level, the principal international French-speaking institutions of which Canada is a member and to whose activities Canada contributes are: (i) The agency for Cultural and Technical Co-operation, created in 1970. (ii) The Conference of Ministers of Education of French-speaking Countries, and a related organization, le Conseil Africain et Malgache pour l'Enseignement supérieur (African and Madagascan Higher Education Council), which Canada joined in 1969. (iii) The Conference of Ministers of Youth and Sports of French-speaking Countries, which Canada took part in creating in 1969. About thirty European, American, African and Asian countries having French as their official or working language are members of these institutions. At the private international level, Canada, through the Francophone Institutions Division, maintains constant ties with the numerous international associations and organizations in the French-speaking world, with which it co-operates to promote and ensure effective and truly

representative participation by Canada. Among the more important of these associations, many of them of Canadian origin or inspiration, we may name by way of example: l'Association des Universités partiellement ou entièrement de Langue française (AUPELF); le Fonds international de Coopération universitaire (FICU), an offshoot of AUPELF; le Conseil international de la Langue française (CILF); l'Association mondiale des Médecins de Langue française (AMMF);le Conseil de la Vie française en Amérique; l'Association internationale des Parlementaires de Langue française (AIPLF); l'Institut international de Droit d'expression française (IDEF); etc. (b) Present staff consists of three officers, one trainee and three secretaries. (c) The Francophone Institutions Division, in co-operation with the Finance Division of External Affairs, administers the contributions which Canada makes as a member of Francophone multilateral organizations (Agency for Cultural and Technical Co-operation, Conference of Ministers of Education, Conference of Ministers of Youth and Sports of French-speaking Countries). These contributions amounted to about $2,900,000 for the fiscal year 1976-77. The Division is also responsible for disbursement of the subsidies granted by the Canadian government in 1976-77 to AUPELF ($95,000) and CILF ($30,000). Lastly, the Department of External Affairs has a budget for 1976-77 of $200,000, managed by the Francophone Institutions Division in close co-operation with the Finance Division and Treasury Board, for the purpose of promoting and giving substance to Canada's necessary and constructive presence in the many activities of the international French-speaking community, both those of an intergovernmental nature and those in the private sector. Within the Bureau of Co-ordination, the Francophone Institutions Division's share of the travel budget for 1966-77 is about $15,000.

3. Yes, to the extent that the international French-speaking community can be considered as the counterpart of the Commonwealth. The appropriate units are grouped together under the Commonwealth Institutions Division, which assumes identical functions with regard to multilateral intergovernmental and non-governmental organizations making up the Commonwealth. The activities of this division are described in the annual report of the Department of External Affairs.

ALLOCATION OF FUNDS IN BRITISH COLUMBIA—OFY PROGRAM

Question No. 363—**Mr. Munro (Esquimalt-Saanich):**

1. For each constituency in British Columbia, what was the allotment of OFY grants in (a) 1972-73 (b) 1973-74 (c) 1974-75 (d) 1975-76 (e) 1976-77?

2. For the same years, what were the unemployment figures, in percentage terms, in each constituency?

3. What other criteria were used in deciding on allocations?

Hon. Jack Cullen (Minister of Manpower and Immigration): 1. (a), (b), (c) and (d) Funds under the OFY Program were not allocated by federal constituency. (e) The Program was not administered in 1976.

2. As funds were not allocated on a constituency basis, unemployment rates were not calculated by constituency for the full year.

3. The OFY Program came under the jurisdiction of the Department of Manpower and Immigration in 1974, and since that time funds were allocated to departmental Management Areas on the basis of student unemployment, youth population between the ages of 14 and 25 and youth job availability index.

ALLOCATION OF FEDERAL FUNDS FOR EDUCATION OF INDIAN PEOPLE AND INUITS IN YUKON TERRITORY

Question No. 367—**Mr. Nielsen:**

For each year 1970 to 1976, what was the total amount of federal monies allocated to education of the Indian people in the Yukon and to the Indian people and Inuit respectively in the Northwest Territories?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The following is a list of monies expended for the education of Indian people in the Yukon Territory:

Fiscal Year	O&M	Capital
1970/71	$ 632,000	$ 2,000
1971/72	617,000	11,000
1972/73	1,145,000	194,000
1973/74	1,249,000	137,000
1974/75	1,254,000	317,000
1975/76	1,442,680	248,200

No federal monies were allocated for education in the N.W.T. as this is a Territorial Government responsibility.

REPLACEMENT OF "CROWN COPYRIGHT RESERVED"

Question No. 498—**Mr. Schumacher:**

1. Were the words "Crown copyright reserved" replaced in the April 1976 edition of the *Economic Review* by "Copyright Minister of Supply and Services" and, if so (a) by whose authority (b) for what reason (c) on what date was the change authorized (d) is it intended that the new wording will continue in future?

2. Is it intended to credit copyright of the Crown to individual Ministers and/or Ministries in all future publications and, if so, on what date was such decision taken and by whom?

3. Which publications since 1974 has "Crown copyright reserved" been replaced and, in each case (a) what credit was used as a replacement (b) who authorized the change (c) is the change now permanent policy?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): 1. Yes. (a) By the authority of P.C. 1976-104 dated January 20, 1976. (b) The Minister of Supply and Services was designated by P.C. 1976-104 as the Member of the Queen's Privy Council for Canada under whom the Director, Information Canada shall administer a consolidated information service which includes the supervision and control of the rights and obligations in respect of the Crown copyright in any document or other work of any kind in which it subsists. The use of the title of the Minister of the Crown who supervises and controls the rights and obligations in respect of Crown copyright clearly identifies the individual who, by assignation, controls the copyright of Her Majesty and to whom all requests for permission must be addressed. (c) January 20, 1976. (d) Yes.

Order Paper Questions

2. The copyright notice © Minister of Supply and Services Canada will appear on all publications published by the Publishing Centre of the Department of Supply and Services as this notice clearly identifies the individual who, by assignation, controls the copyright of Her Majesty and to whom all requests for permission must be addressed. This decision was effected in P.C. 1976-104 dated January 20, 1976.

3. (a) Before April, 1976, the notice © Information Canada was used by the Publishing Directorate, then of Information Canada, in free publications published by Information Canada. Since April 1976, the notice © Minister of Supply and Services Canada has appeared in publications published by the Publishing Centre. (b) The authority for the use of the notice © Information Canada came from the Director-General, Information Canada. The authority for the notice © Minister of Supply and Services Canada is P.C. 1976-104 dated January 20, 1976. (c) Yes; the use of the notice © Minister of Supply and Services Canada is permanent policy.

HABITAT CONFERENCE

Question No. 641—**Mr. Beatty:**

Did the government provide aid of any kind to the Palestine Liberation Organization for the preparation of audio-visual material for the Habitat conference and, if so, what was the nature and amount of such aid?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): The Canadian Government did not provide aid, either financial or technical, to the Palestine Liberation Organization for the preparation of audio-visual material for the Habitat conference.

POST OFFICE DEPARTMENT

Question No. 697—**Mr. Fortin:**

What is the classification of the post office in each municipality in the Constituency of Lotbinière?

Hon. J.-J. Blais (Postmaster General):

Name	Classification	Group or Grade
Victoriaville	Sub 3	—
Norbertville	Revenue	3
St. Valere	Revenue	3
St. Pierre les Becquets	Revenue	5
Val Alain	Revenue	5
St. Sylvere	Revenue	6
Victoriaville	Sub 1	—
Victoriaville	Sub 2	—
Victoriaville	Sub 7	—
Ste. Marie de Blandford	Revenue	3
Ste. Sophie de Levrard	Revenue	6
Victoriaville	Sub 5	—
Ste. Françoise de Lotbinière	Revenue	3
St. Samuel de Horton	Revenue	2
Victoriaville	Staff	8
Villeroy	Revenue	3
Leclercville	Revenue	3
Ste. Eulalie	Revenue	6
Lemieux	Revenue	2
Daveluyville	Semi Staff	5
Ste. Emmelie de Lotbinière	Revenue	2
Deschaillons	Semi Staff	3
Lotbinière	Semi Staff	1
Dosquet	Revenue	5
Blandford	Revenue	3
St. Antoine de Tilly	Revenue	6
Rivière Bois Clair	Semi Staff	2
Ste. Cécile de Levrard	Revenue	4
Laurier	Semi Staff	4
Ste. Croix	Semi Staff	5
Aston Junction	Revenue	6
Parisville	Revenue	3
St. Flavien	Semi Staff	1
Victoriaville	Sub 6	—
Manseau	Semi Staff	3
Fortierville	Revenue	6
Joly	Revenue	4
Princeville	Semi Staff	6

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 369 could be made an order for return, this return would be tabled immediately.

[*Text*]

MEAT INSPECTORS

Question No. 369—**Mr. Patterson:**

1. How many meat inspectors are in the employ of the government in (a) Canada (b) British Columbia at the present time?

2. Which department or departments employ them?

3. What is the salary range for the job classification?

4. What are the qualifications for the position of meat inspector with the government?

Return tabled.

[*English*]

Mr. Goodale: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration, from Friday, November 5, of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, on Friday before four o'clock I was saying that the government's effort at restraint in the area of CYC, Information Canada and the freezing of family allowances was weak. I suggested there was an enormous potential for restraint in Crown corporations such as Air Canada and the CBC. I was just starting on the Canadian National Railways. I thought it was significant that in an operation like the CNR, where the total revenue was close to $2 billion and the losses on operations in 1975 were $91 million, that the corporation does not even consider that a bill of total interest charges of $111 million could not be cut somewhat as a matter of restraint.

So we have a total deficit for that corporation in the 1975 fiscal year of $168 million, which is an increase of $130 million over the deficit from the preceding year. I hardly think we can consider there is any measure of restraint in that kind of report. There is not only the loss of that income, but also the amount of money that they invest in order to incur that loss. For example, on page 21 of the report of the corporation we see that the government of Canada has an investment of $1.4 billion in the operations of the CNR. Furthermore, there is an investment in shareholders' equity—and the government of Canada is the only one listed in the shareholding section—in the amount of $2.2 billion. The total assets of the CNR now are just less than $5 billion. There is a further example where I think we might see the lack of restraint on the part of this particular Crown corporation. On page 22 of the corporation's report we have this statement in the notes to the financial statement:

> —based on the latest actuarial reviews, the unfunded liabilities to be funded over various periods to 2027 amounted to $809,020,329.

They already show a lack of restraint in their statements, but one would wonder why these unfunded liabilities are not shown in the statement instead of only in the notes. This corporation, in addition to its railway operations, has a hotel operation. If we look at page 14 of the annual report, we see that in fact they make a profit on operating their hotels of $900,000, and also on those they lease to the Hilton hotel organization of $2.7 million, for a total net income for hotel operations of $3.6 million in the year. However, in order to earn that there is a capital expenditure of $4.2 million, so the net cash requirement in that period is something over half a million dollars. If we accept $3.6 million as profit on the hotel operation, we cannot tell what the return on investment is, because the investment of that corporation is not detailed as it relates to particular operations such as hotels. So we have the taxpayers of Canada being asked to contribute to the investment in an operation in which the CNR does not need to be, and this operation is in competition with other enterprises in this country. If the government wishes to be serious about restraint, there is plenty of room in the CNR.

In the remaining time I have, I should like to comment about the Canada Post Office. This should be a place in which we could exercise a little restraint. The gross revenue of the Post Office is $618 million, and the deficit for the fiscal year ending March 31, 1975, was some $321 million. In the preceding year the loss of the Post Office was only $177 million, so these people who are trying to practice restraint have increased the deficit of the department by $144 million. That department spends $1.50 for every dollar it takes in in revenue. The interesting thing about the Post Office is that the statements do not reflect all the costs that are incurred by the Post Office and charged to the Department of Public Works for the occupancy cost of the various buildings the Post Office occupies. It does include an amount for accommodation of $59 million, but on the balance-sheet we see a note at page 8 of the 1975 annual report of the Post Office which says:

> Land and buildings are provided and paid for by the Department of Public Works and consequently are not included among the assets. Certain international accounts receivable and payable are not in the balance-sheet since they cannot be established with sufficient accuracy.

Mr. Speaker, I submit there is plenty of room in an operation such as this to exercise some kind of restraint. While I am commenting on the cost of the Post Office that is charged to the Department of Public Works budget, I think it might be well to have a look at that department. In the public accounts for 1976 which were received about a month ago, on page 20.4 we find that in the accommodation program the budget of the Department of Public Works has an expenditure of $252 million for operating expenses for the provision of accommodation of various departments in the government. That may seem like a reasonable figure, but in the previous year that amount was only $220 million. The increase is $32 million, or something like 15 per cent.

Furthermore, the expenditures of the Department of Public Works on capital expenditures including expenditures on works other than federal property amounted to $270 million in that fiscal year—for capital expenditures on buildings they do not even own! That is an increase from $208 million in the preceding fiscal period, which would be an increase of $62 million or something in the order of 30 per cent. In the limited time I have, I want to emphasize that when we are asked to consider a measure of restraint as weak as that we are dealing with, I think it is well for us to insist that more detailed

examination be made of the very many areas available to this government in order to achieve some real kind of restraint.

● (1530)

Mr. Marke Raines (Burnaby-Seymour): Mr. Speaker, I want to say at the outset that I always welcome a bill which restrains and cuts back on unnecessary government spending, so I welcome the treasury board's Bill C-19. My only complaint is that it does not go far enough. Included in Bill C-19 is the demise of the Company of Young Canadians. I shed no tears for the CYC. They had their day, but times change and we must now address ourselves to new priorities.

As I said, I do not think Bill C-19 goes far enough. There are other areas of government spending that could be examined. I have in mind one which could be called mind-boggling and which, again, deals with CNR, a subject which the speaker before me, the hon. member for Vancouver Quadra (Mr. Clarke), dealt with. That is another facet of the operations of the CNR. I refer to a picture, with cut-lines, in an Ottawa newspaper.

[*Translation*]

In an article of the Ottawa *Le Droit*, November 3, 1976, titled "Publicity Campaign", we read the following:

CN public relations vice-president Jean Cormier administers a publicity budget of $1 million to restore the image of the Crown corporation which, he said, has a reputation of "inefficiency, bureaucracy and waste" because of its association with the government.

[*English*]

That is a rather ludicrous situation when the vice-president of public relations of CNR says he is going to spend, or at least he has, a $1 million budget to restore the image of the CNR; an image which, he says, was created as a result of government policy. So we are giving them money and they are spending the money we give them to restore their image. I suggest that that $1 million could be put to better use. The vice-president of public relations of CNR says he has $1 million to counteract an image. I suggest that if the $1 million is indeed available, it might be better spent in further lowering rail fares so that more people, especially students and young Canadians, could travel across Canada and get to know this country.

Another strange expense that PR people favour is the logo or call it what you will, a trademark, an emblem, a symbol, a design, an insignia, or a squiggly line which reads "CN". These people fall into the trap and they hold the fond belief, apparently, that if you get the right, new logo, everything else will fall magically into place. This morning I made several inquiries through my office about the cost of the CN logo. I found that officials in Crown corporations and bureaucrats are rather reluctant to disclose such costs. I suppose that, like most logos, its cost must have been a source of embarrassment because it seems to be hidden with as much secrecy as the CBC logo was, that new device which was incorporated by the CBC and about which I inquired earlier in the House. So I have not yet been able to confirm the cost of the CNR logo.

[Mr. Clarke (Vancouver Quadra).]

This leads me to the secrecy regarding the expenses of government agencies. In my view, this secrecy is unacceptable. I am repeatedly told, and I cannot accept it, that government agencies and Crown corporations are not required to disclose certain details of expenses relating to internal management and administration. The reason given is that the information might be used by competitors seeking a commercial advantage. I cannot accept that reasoning. When these agencies are subsidized by the taxpayer, I believe the taxpayer has a right to know how his or her money is being spent.

Personally, I think the CNR could improve its image by getting back to the main reason for its being, which is the efficient movement of people and freight as cheaply and as effectively as possible. All the rest is frills—and the expense of frills should not be tolerated by the taxpayer. If, by its own admission, the CNR suffers from an image of inefficiency, bureaucracy and waste, then let it address itself to these problems and the image will take care of itself.

The CNR could be used effectively in the movement of young people from east to west and from west to east. We have had a good beginning in this type of program with the Young Voyageurs, for example, student exchanges, and summer language schools which combine both travel and learning. But these programs have been too limited. Most people do not even know about these programs or their value. However, the programs are very good and should be expanded and enlarged. Lower train fares would enable students and young people to see the country as they travel, and more and better summer language training programs would give students a working vacation that would be stimulating and rewarding.

The cost of the bilingual programs in Canada has also come up for discussion. I think it is important that this money be spent wisely. I point out that I do not criticize the amount of money spent on bilingualism. The time has come, and gone, when we can afford the luxury of debating and toying with the idea of bilingualism, niggling over the cost of it, wondering if we are not moving too quickly, suspicious and fearful of exposing ourselves and our youth to a language and culture that have for too long been alien to us. The time for this has passed, because if we do not accelerate the bilingualism program in our schools, in our communications systems and even in our government services, we are going to face the possibility of losing Quebec and, regardless of whether or not we are ready to admit it, if we lose Quebec we will lose Canada and everything that has made this country worth while.

So what can we do to hasten the day when our two languages and cultures meet and when we talk to one another, instead of remaining in our respective corners brooding and scowling? I submit that we need more in the way of education. I know that the educational system in Canada has always been claimed as the creature of provincial governments. The provinces have guarded their jurisdiction over education jealously over the years, affirming their rights under the BNA Act. But their rights, unquestioned so far, entail enormous responsibilities and duties to give young Canadians the very best education available.

In my view, a major part of this education should consist of instruction in the other official language. It should also consist of an introduction to our own cultures and peoples, if only to help our children gain a better understanding of their nation and of its role in the world. In this respect, our educational system and the responsible provincial governments have been negligent. In some cases they have been spitefully negligent. Their attitudes toward bilingualism and biculturalism must change, and they must open their eyes not only to their provincial responsibilities but also to their national responsibilities. If they cannot do this, then perhaps it will be necessary to consider a federal role in education.

Also extremely important to the survival of Canada is the communications field. We are told that we must all be sensitive to the power of the media to shape the public mind and spirit. We are, especially in this House, sensitive to the media. The power—and in it, the wonderful potential—has not been wisely used so far. Instead of a lively system linking disparate parts of the country with information and entertainment from all other parts of the land, we have a loose, unbalanced conglomeration of broadcast centres which look blankly at the rest of the country, hardly aware, hardly seeing. Broadcasting in Canada is ghettoized and balkanized. The media in Canada have not fulfilled what I consider to be their primary role, namely, to introduce Canadians to each other. How can one plead for community understanding, tolerance and compassion, when the members of the national community have never met? The media have the power to take on the role of national communicators. I say they also have the duty to take on this role and that it is long overdue.

Finally, I should like to speak about the development of bilingualism in the federal government and civil service. There is no question in anyone's mind that this is money well spent, that every Canadian has the right to approach his or her federal government in either of the two official languages and to be served in that language. That is little to ask, yet that small but crucial principle has been so widely misunderstood. From this principle let us expand the notion of bilingualism to include more, and much better, language instruction in our shools, and a positive, constructive role for the communications industry in bringing our cultural and linguistic communities closer together.

● (1540)

For too long we have been on the defensive about the policy of bilingualism—almost apologetic—in trying to explain a program which is giving French-speaking Canadians but a smattering of the rights we English-speaking Canadians have enjoyed and taken for granted for years. I suggest that this attitude must be replaced soon with one of justifiable pride in having at least begun the construction of a bridge between what we have been calling the two solitudes.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I think I am the first maritimer to take part in this debate on the son of Bill C-87 from the last session, for want of being able to use somewhat stronger language with reference to its name. But I will not be the last, because there is an important principle here which very much affects the ports of Halifax and Saint John. Indeed, that principle affects the port of Montreal and other ports on the St. Lawrence river, and it has a substantial effect upon the milling industry in Canada. The policy set forth in this bill is so bad that it has been labelled by one member of the present administration with one classic word. I will indicate later who said it, but I can say now what he said. He said, "It is nuts." When a minister of the Crown, no doubt committed to defence of the bill, has that to say about a measure, it is about time his party and the government he adorns takes another look at the measure.

I intend to devote my speech to the subject of the "at and east rate" and to the matter of the removal of section 272 of the Railway Act; in short, to what clause 15 of Bill C-19 attempts to do. I do so because when the matter originally came up in the spring, the hon. member for Vegreville and myself alternated in bringing the issue, by way of questions, to the ministry. I think at one time we had four or five ministers involved. Then we went to the "late show" to try to make as much noise as we could and to raise the cry of "rape" as much as we could. At least, the bill did not get beyond first reading last session. However, now it has been resurrected. The Frankenstein whose components have not been improved by age, comes before us again.

On Friday the hon. member for Crowfoot (Mr. Horner), the transport critic for my party, and the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale), the apologist for his party, dealt with the matter of the effect of this measure on grain movement and, more particularly, on the flour industry. I thought the hon. member for Crowfoot, in his usual succint style, put the case pretty well. I thought the Parliamentary Secretary to the President of the Privy Council was being somewhat pessimistic. After all, if the flour industry in Canada is facing some difficulties, we should not forget that wheat is perhaps the one product for which we are known in the rest of the world, and flour is a good commodity with which to help the starving of the world keep body and soul together on this planet.

There is one flour mill near the area I serve. It serves the whole of central Nova Scotia, and it is threatened with closure if clause 15 is passed. As I develop my argument, I think the House will also find that while there was some talk by the Minister of Transport (Mr. Lang) about an alternative program which might restore to the ports what is now so rudely being taken away—at least an attempt is being made—the fact is that he said nothing, and there has been no indication so far that any substantial and workable policy will be substituted.

At one time when the hon. member for Vegreville and myself were using the "late show" to some good effect in getting this subject at least raised as an issue in certain parts of the country, I went to the Halifax waterfront and walked through the mass of sheds there. The floor area of those sheds is about the size of three football fields. I walked between stacks and stacks of flour, stacked almost to the ceiling and

covering, as I have said, an area of almost three football fields. It appeared that alongside there was a Russian freighter loading that flour which I believe was destined for Cuba.

That business is a very important part of the livelihood of the people of the Halifax longshore who have to scratch for a living, and if clause 15 passes, all that would be removed in peremptory fashion by the President of the Treasury Board (Mr. Andras) and the Minister of Transport. The minister should not duck his responsibilities on that one. This measure to repeal section 272 of the Railway Act has all the smell of an action of the Minister of Transport. I will resist it as best I can. My colleagues, the hon. member for Halifax (Mr. Stanfield), the hon. member for Dartmouth-Halifax East (Mr. Forrestall), and the hon. member for Annapolis Valley (Mr. Nowlan) will be among the hon. members who will be taking part in this debate, but you can bet your bottom dollar that there will also be hon. members from flour-milling communities in other parts of Canada who will join in the effort. We might even get somebody from the other side in on this effort, because I am going to read some of the quotes which some hon. gentlemen opposite have proffered. This matter is obviously of some concern to them, and perhaps they will participate in the debate along with, I am sure, the hon. member for Saint John-Lancaster (Mr. Landers). He will want to have his say, because this question affects many jobs on the Saint John waterfront, and anyone who represents a waterfront community knows that people do not give up jobs very lightly.

First let us start with somebody who is well known on the government side. He is a long-time friend of mine, and a well known and valuable member of the Liberal party of Canada. He is Mr. J. W. E. Mingo, and he happens to be the chairman of the Halifax-Dartmouth Port Commission. He is a lawyer of standing in the province of Nova Scotia. He is either a past president of the Nova Scotia barristers' society or will be its president in another year or so. He is important in the business life of Nova Scotia; and because money is needed to run an election campaign, he is very important in that he raises money for the Liberal party. In an act of supreme statesmanship, Mr. Mingo sent a telegram to the Minister of Transport in which he said:

> Termination of the subsidy and the statutory rates will cost Halifax its export flour trade, estimated at 200,000 tons in 1976, and will greatly reduce the throughput of grain at its elevator, thereby increasing the operating deficit of the elevator to the point where its closure will be inevitable.

Then he makes this point:

> Prairie grain moves at statutory rates to Vancouver and Thunder Bay, at an annual loss to the railroads which is now estimated at $150 million or more (and which has to be subsidized by other traffic, including export-import traffic moving to and from the port of Halifax), and from Thunder Bay via the St. Lawrence Seaway at highly subsidized tolls to Montreal, Bay Comeau, and the other river and gulf ports. How is it that this $11 million subsidy on the movement of grain to eastern ports is singled out for termination?

● (1550)

He talked about amounts 14 times as much that are untouched, as far as I can see, by this statute in which the Minister of Transport would say to all of us in Atlantic Canada, "You are only second-class citizens so let's see how I can turn you into third-class citizens". I have a telegram from Mr. Mingo followed by one from Mr. J. Peill, chairman of the Inter-Cereal Producers Association of Nova Scotia. This telegram was sent to me, and I adopt his reasoning as my own. It reads as follows:

> Grain producers of Nova Scotia are concerned with the effect Bill C-87—

As I said earlier, Mr. Speaker, Bill C-87 was the father of the present Bill C-19. The telegram continues:

> —may have on continued operation of NHB and Dover Mills both of which we consider vital to ascertain continuation and expansion of our young and promising grain production industry in this province.
>
> Modern production methods have made grain production in the past years an economically viable crop in Nova Scotia resulting in doubling of winter wheat acreage for milling purposes every year over the last three.
>
> All signs point to possible continuation of this trend providing handling facilities continue to exist.
>
> Since full implications of Bill C-87 and other contemplated transportation policies are not known we urge that all steps be taken to keep elevator and Dover Mills in operation.

The NHB is the National Harbours Board, Mr. Speaker. I refer to the policy set forth in Bill C-15 as insane. Now I should like to turn to that statesman-like gentleman who used a choicer word—he called it "nuts". In the proceedings of the Standing Committee on Agriculture, reported in issue No. 84, an exchange took place as follows:

> MR. DOUGLAS (BRUCE-GREY): Mr. Chairman through you to the minister and the members from the Feed Board, just going on a little bit with the subject raised by Mr. Corbin and that, of course, is the repeal of section 272. It is certainly going to affect the eastern ports but it is almost going to wipe out the flour milling industry in at least my section of Ontario and possibly other sections of Ontario as well, but I think we have to leave that part of it to another time.

Then we come to the statesman who said the policy was "nuts":

> MR. WHELAN: I do not think so, Mr. Chairman. I want to ask the member what he has done about it.

This is the minister asking for help from a government backbencher to ward off the government's own evil policy. The hon. member for Bruce-Grey replied:

> I have written a number of letters to a number of people, Mr. Minister, and I intend to continue doing so because I think it is wrong.

I hope the hon. member for Bruce-Grey (Mr. Douglas) will enter the present debate and tell us whether those letters succeeded or failed. This would give us some appreciation of his fight for his constituents. Later in the same debate the Minister of Agriculture (Mr. Whelan) said:

> I think what Mr. Douglas is saying and it is a fear that we all have that it is going to affect the feed industry because of the fact that you will not be using those bay port elevators in Georgian Bay and Lake Huron and possibly the one on the St. Clair River as much as you did before because of the fact that the boats will try and haul the grain through to the St. Lawrence ports at the end of the season and then it can cause congestion that way. It can cause less use of the bay port elevators; they will be of no use whatsoever.

Mr. Speaker, the ripples are spreading from Halifax practically to the other end of Ottawa. The exchange continues:

> The ships will not stay loaded in the ports because it is their last run they can make in the fall and if they are down through the St. Lawrence they will not have time to get back up the Lakehead to load and come into the bay port elevator, so you can rail that grain out in the winter because you will lose the

subsidy on that movement of grain by rail. That amounts to about $11 million, if I remember correctly.

MR. TOWERS: You are in agreement with that bill, then?

MR. WHELAN: No, I am not. I think it is nuts. I want to clarify that; on that part of it I voiced my opinion and I think it is very wrong.

THE CHAIRMAN: I think, gentlemen, that—

MR. WHELAN: I withdraw the word "nuts".

THE CHAIRMAN: I think, gentlemen, that that probably clarifies the concern that the committee members had with respect to Bill C-87. Perhaps we could now restrict ourselves to the estimates.

MR. WISE: On a point of order, if that is the way the minister feels about the bill, then I would suspect that he would support our motion that we have in mind to request that that section be withdrawn.

As the debate goes on, Mr. Speaker, possibly the Minister of Agriculture will have that opportunity. The hon. member continued:

I hope to see support from the Minister of Agriculture coming at that time.

MR. WHELAN: I think you must have had your private detectives in my mail, because you know what I am doing.

MR. WISE: We have just been representing our constituents.

That, indeed, is exactly what is going on. It would not be very difficult for a person of even one-quarter of the normal intelligence to recognize that from the standpoint of the Department of Agriculture this is a very bad bill. Those who want to look back to the contributions of the hon. member for Vegreville and myself to the debate will find that we hauled in the then minister of industry, trade and commerce as well as the Minister of Agriculture and the Minister of Transport—when he was on the ground and not at the 30,000 foot level in an expensive plane! We also hauled in the then president of the treasury board. In the Minister of Agriculture we knew we had a friend and ally since he had commissioned studies in his department on the effect of this legislation on the flour and grain trade in Canada.

Mr. Towers: Don't depend on the Minister of Agriculture.

Mr. McCleave: The hon. member for Red Deer (Mr. Towers) says we should not rely on the Minister of Agriculture, but we can at least put him to the test later and ask whether he intends to stick by the opinion that this clause of the bill is "nuts". We also got rather sympathetic statements in the House from the present Secretary of State for External Affairs (Mr. Jamieson), then minister of industry, trade and commerce. Mr. Speaker, I shall be taking part in this debate whenever I can, and helping others with the information I have. The file is still quite thick because I have not used much of it, although I have touched on the salient points.

It would be a sad day for this House if clause 15 were adopted as law by this parliament. It would be a blow to the people of Halifax and Saint John who work at longshoring and ask why an attempt at government economy should start with them. Why should they be singled out as a working part of the Canadian economy, when they do not have year-round employment for the most part and rely on the flour and grain trade, amongst other things, for their living? For the sake of saving about $12 million we are going to jeopardize the longshoring of Halifax and Saint John; we are going to make a dent in the business of Montreal and other St. Lawrence River ports from which flour and grain are shipped, and we are probably going to put three-quarters of the flour milling industry out of business.

The millers' association has tried to present its case, again getting a sympathetic ear from the Minister of Industry, Trade and Commerce (Mr. Chrétien) and the Minister of Agriculture, but getting the deaf ear of the Minister of Transport.

● (1600)

Sir, it is always good to have economy in government, if you know what you are doing and what the result will be. But I suggest that the present measure will occasion much mischief to the shipping, longshoring and flour sectors of the economy, to say nothing of the farmer who is at the beginning of the line, as it were. I suggest that this attempted economy will do mischief so great that a word the Minister of Agriculture used—"nuts"—will be applied to members of the cabinet if they persist in continuing with this monumental piece of stupidity they are asking us to consider.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we think this is a bad bill, and we oppose it. If we are in economic difficulty, in our view the best solution is to increase production, provide employment and get our economy rolling in high gear. But if the government does not realize all this and feels that it must fall back on a program of restraint, we say that such restraint should at least be practised with some degree of equity and fairness. In our view, this government does not know the meaning of those words when it comes to practising restraint.

I shall illustrate what I mean with some examples. Before I mention them, may I say that I am not at all satisfied with the decision to ditch the Company of Young Canadians and the Local Initiatives Program. I know that the CYC was the brunt of a good deal of criticism. I also know that the young persons who worked under the auspices of the CYC did much useful work coping with social difficulties in this country. It is unfortunate that that project has been ended. Likewise, I was pleased with the number of things done under the Local Initiatives Program to help persons who needed help and could not get it otherwise. I was pleased by the initiative and innovation which that program brought out. The government is to keep the program alive for a while, but plans something else to take its place. That just shows how this government can change its mind in the few months between the time when it introduces a bill and when it gets around to dealing with it.

Information Canada for a long time was a whipping-boy around this House, and it is to go: no longer will it be a whipping-boy. I do not think we shall save much money by doing away with Information Canada, and I suspect that many Canadians already miss the services which were available through that agency. I think the main mistake made about Information Canada was that when it was set up the notion was created that it was to take the place of the public relations staffs of the various departments. The idea was that instead of

having every department put out its own press releases, this would all be done by Information Canada.

We discovered that it did not happen that way. The departments increased their public relations activities, and one of the supposed aims of Information Canada was not achieved. instead, Information Canada began publishing material not otherwise available, and opening book stores—all of which I think was good. Because of criticisms levelled at Information Canada from the floor of the House, I suppose the government felt it had no option but to yield to those criticisms and, in the name of restraint, to do away with Information Canada. Now it has gone. Let mine be a voice that is not happy about it.

I move on, sir, to what I think is the main example in Bill C-19 of practising restraint in the wrong place. I refer to the cancellation, for the year 1976, of the escalation of family allowances. The government has been able to say, in effect, "We have saved over $200 million by this means." But it will have been saved mainly at the expense of families and largely at the expense of families in lower income brackets. To me, sir, this is practising restraint in the wrong place. It is making those who can least afford to pay for the government's economy measures pay the larger portion of them.

Let me mention other examples of restraint for which the poor must pay. One such example was brought out particularly in the report of the National Council of Welfare which reached us last week. I confess I was surprised today, after my leader, the hon. member for Oshawa-Whitby (Mr. Broadbent) asked the Prime Minister (Mr. Trudeau) some questions about this report, to hear the Prime Minister reply that he had not seen or heard of this document. After all, the National Council of Welfare is an important body, set up and funded by the federal government. It is not some outside agency. It was set up and funded by the federal government for the purpose of making recommendations to the Minister of National Health and Welfare on matters of welfare policy.

In the past two or three years it has produced a number of excellent reports which turned the searchlight on inequities and unfairness in our welfare system and society as a whole. The current report, which I hold in my hand, is entitled "The Hidden Welfare System." It is a timely report, coming, as it does, when the government is talking about the need for restraint. The theme of the report, "The Hidden Welfare System," is that the people of Canada are having to pay to certain individuals at least $6.4 million a year because of the unfairness of the exemptions built into our income tax system. This unfairness is documented in this report which is some 40 pages long. The inequity is highlighted extremely well on pages 16 and 17 which tell us how the hidden welfare system works. I do not wish to quote all the material on these two pages, but I will say that these two pages refer to 60 subsidies under the Income Tax Act, with respect to 17 of which the Department of National Revenue provides useful and comprehensive statistics. It is by studying the costs of these 17 subsidies that the National Council of Welfare finds that the treasury is losing, under these exemptions in the Income Tax Act, about $6.4 billion a year. I should like to read two paragraphs of the report:

[Mr. Knowles (Winnipeg North Centre).]

● (1610)

An examination of the $6.4 billion cost of the 17 subsidies tells us a great deal about the hidden welfare system. To put this $6.4 billion into perspective, it is equal to well over one-fifth of the entire federal budget in 1974. It was 4½ times the cost of the Olympic Games and 19 times the total new costs of the support and supplementation programs. It was enough money to have provided every family in Canada with an extra $100 per month for food and clothing.

But this $6.4 billion was not distributed equally among Canada's families. The poorest of the poor, those with incomes below the tax-paying threshold, received none of it. For all others the rule was, the higher their income the higher their benefit.

Then follows a table which sets out various income brackets and average benefits received. There are those in the very low brackets who get no benefit at all from the 17 subsidies under the Income Tax Act. For those whose taxable income was under $5,000, the average benefit was $243.75. That sounds good, if you are a low income person. But if you are in the group from $20,000 to $25,000, the average benefit is $1,786.93; and for the group whose income is over $50,000, the average benefit is $3,989.78. Listen to this paragraph, and I am quoting again from the report.

It would be difficult to imagine any direct and visible government expenditure program which gave $244 to those with income of less than $5,000 but $2,427—ten times as much—to those with incomes of between $25,000 and $50,000, and $3,990 to those who make over $50,000 a year. No government would dare propose such a program. And yet the hidden welfare system does just that, and there is hardly a protest to be heard.

I might add that when there was a protest today from my leader during the question period, the Prime Minister did not even know what he was talking about. I quote again:

The reason the hidden welfare system can get away with it is precisely because it is hidden. The low income taxpayer saving $200 cheers his saving and remains oblivious of the $2,000 saving granted to the person with five times his income.

I might say that in this report it is suggested that if details of all the 60 subsidies or exemptions under the Income Tax Act were obtainable, instead of just 17, it would probably turn out that the total figure would be not $6.4 billion but several billion dollars higher than that. What I am saying is this: if there needs to be restraint, why not practice it here, why not practice it on those who are getting these hidden forms of welfare in the guise of income tax exemptions instead of imposing it on persons who receive family allowances and on the poor generally? It is our contention that the place to practice restraint, the place to practice economy, is where it can be done without hurt to those concerned, instead of where it really hurts our people.

Another question which was asked today raises the whole subject of restraint. My hon. friend from Yorkton-Melville (Mr. Nystrom) did not get very far, nor did one of the hon. members in the Conservative party.

An hon. Member: The member for Prince Edward-Hastings (Mr. Hees).

Mr. Knowles (Winnipeg North Centre): He did not get very far with it, either. I am referring to the ministerial use of

private aircraft. Even if a minister feels there must be some sort of privacy in which he can work when he is on his way to attend some function, government or otherwise, how can one justify spending $7,000 to transport one minister from Saskatoon to Edmonton? That journey would take all of an hour and a half. By the time the steward had served food and drink, his ministerial passenger would be ready to land; there would be no time left for him to work. We are not complaining that a minister has travelled by air from Saskatoon to Edmonton: we all have transport privileges; but we suggest he should travel by Air Canada. For the minister to have piled up, in the last several years, a bill amounting to three-quarters of a million dollars for the use of private aircraft is scandalous and it does not wash well with the legislation which is now before us calling for the practice of restraint.

That is a large amount of money to have been spent on air travel. Perhaps the item I have in mind to deal with next would not mean the saving of as many dollars. But if we intend to practice restraint, let us do it. I do not know why, every time a minister makes a speech in the House, we should all get copies of it immediately before, or immediately after he does so. It gets printed in *Hansard*, in the same way that this speech of mine will be printed. Why go to the expense of printing speeches in addition to what is already available? Then again, when one looks at the hand-outs which come from the ministers and their departments, and I fill a waste basket a day with them; it isn't all from the government, I know—

An hon. Member: Why don't you read some of them?

Mr. Knowles (Winnipeg North Centre): That is one of the things I had to learn when I first came here: to decide what one should read and digest, what one should keep in case it might be needed, and what one should throw away without wasting time on it. That is what all new members have to learn. I think the hon. member has been here long enough to learn it. Anyway, room for economy is obviously there, and there are scads of areas like this which could be the basis for economy, instead of what the government is proposing. Maybe economies brought about by reducing the volume of printing, and so on, will not yield a great deal of money, but if savings in this direction are coupled with cuts in other expenses in which the government is indulging, huge sums will be saved.

I have one other suggestion to make. It is about this time that I expect my popularity in the House of Commons to rise to new heights; but I am used to that. Almost a year ago, when the government was first talking about restraint, one of the things it said it would do was to bring in legislation to ensure that the pay of members of parliament would not escalate in 1976 as provided in the legislation which was passed in 1975. Hon. members are aware of this. First, it was just the pay which was not to be allowed to escalate. Then, because of protests which some of us made, the bill applied to both pay and the tax-free allowances received by members of this House and the other place. Mr. Speaker, the restraint period is not over. Inflation has not been licked. Why not do the same for 1977? If nothing happens, then the increases that did not take place in January, 1976, will take place in 1977.

• (1620)

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): I knew I would reach new heights of popularity by suggesting that, Mr. Speaker. It means that in January there will be an increase from our present $24,000 salary to $25,600, and our expense allowance will go up from $10,600 to $11,300. Their Honours in the other place will have their indemnity increased the same as ours, and their expense allowance will go up from $5,300 to $5,600. I know all the arguments about what the money for expenses, and so on, is used for, but we are talking about restraint. We are talking about economy, because the country is in trouble; so why not practice restraint by doing for 1977 what we said was good for 1976?

Mr. Clermont: What about sending back your old age pension?

Mr. Knowles (Winnipeg North Centre): I said I knew I would be popular, Mr. Speaker, and get all sorts of support in all sorts of places.

Mr. Goyer: Let us get back to the two-party system; then we will save money.

The Acting Speaker (Mr. Turner): Order. The hon. member for Winnipeg North Centre (Mr. Knowles) has the floor.

Mr. Knowles (Winnipeg North Centre): If hon. members want to put this on a personal basis, I can tell them that by staying here in the House of Commons I am saving the treasury a good many thousands of dollars of parliamentary pension that I would have to be paid if I were not an MP. If I stay on in this place long enough, I may not get any of it.

I have the uneasy feeling that the reason family allowances will be allowed to escalate in 1977 is that it would be just about impossible to freeze family allowances for another year and let our pay and allowances go up. I have seen this sort of thing happen too often for it to be mere coincidence. It happened with respect to the escalation of the pay of retired civil servants, and so on. We did not get that for a long time, but we did finally because it was time to do something for the pay of MPs. I do not think that this is the time or place to argue what the amount should be, but it is a time to discuss the government's policy of restraint. If we are to have a policy of restraint, I suggest that we in this House should give leadership. For these reasons, Mr. Speaker, I suggest that the whole program that the government has set before us in Bill C-19 is awry, and that it should be taken back and drawn all over again, along lines of equity and fairness.

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, at a time when we ask the Canadian people to cut their expenses and refrain as much as possible from

making expenses which are not urgent, and to abolish useless expenses, I think it is appropriate for the government to bring forward a bill cutting some expenditures which, at a certain time, could appear essential for the good operation of government and for the services offered to Canadians but which after a number of years appear useless and even futile in a few cases because of changing circumstances.

Any good government must endeavour from time to time to direct its efforts to cut wasteful spending which finally becomes a habit in an administration like the federal government and produces expenses which become substantial in the course of the years. Therefore, the object of the present legislation is to ensure that we show the Canadian people a certain will to adjust to the present circumstances.

On December 19, 1975, the President of the Treasury Board announced that certain programs would be abandoned. Certain expenditures which were now useless would be cut, and the federal administration, including the representatives of the people, must show a certain restraint as concerned public spending.

My department was asked, among other things, to see to the disbanding of Information Canada. Originally, the creation of Information Canada was certainly a good idea. This agency rendered many services, especially in the areas most isolated from large centres in Canada. For those who live in large centres like Vancouver, Toronto or Montreal, Information Canada did not bring as many advantages as for the people in isolated centres where government information cannot reach Canadians as effectively. It was in this spirit that Informatinon Canada had been established, but because Information Canada was perhaps not managed as efficiently as possible, and mostly because Information Canada had to face a barrage of repeated and, in a sense, generally negative objections on the part of the opposition, the government had to face the fact that Information Canada could no longer provide Canadians with the same services without provoking increasing criticism. This does not mean that all services previously offered by Information Canada have disappeared. Some of them of course have disappeared, but others have been amalgamated in various departments and continue to meet the needs of Canadians but under other forms.

I would like to report now on what we have done to publish and distribute government publications. As everyone knows, through Information Canada, the government had six bookstores across the country, which operated necessarily in the larger centres and offered their services to a great number of Canadians, but still not to the majority of them.

Moreover, government publications were not, far from it, distributed solely through our bookstores since 65 per cent of the needs were met through the postal service. Therefore, many Canadians are not affected by a change in the distribution of government publications. On the contrary. In addition, because of our labour contracts, it was difficult for our bookstores to adjust to the working conditions in the private sector, that is longer working hours, the opening of our stores at night and on Saturday, when there are necessarily more customers.

[Mr. Goyer.]

After due consideration, we decided to give another orientation to our distribution service through the Department of Supply and Services.

First, we have decided to close our six bookstores which were in operation in six different Canadian cities. In so doing, we will save over $1 million a year and substantially reduce the number of man-years in the government. How will those six stores he replaced? We shall replace them by appointing agents, that is to say by designating private sector libraries that will offer the same services as government libraries, within their commercial activities. In doing so, we shall multiply the number of libraries throughout the country and even in smaller communities where we can find libraries ready to do business with us. We shall multiply the number of service centres throughout the country so that the distribution of government publications be more adequate and reach more Canadians from coast to coast. Furthermore, we shall appoint as government agents all libraries in Canadian universities. It means that every student, every university teacher who use the services of the libraries in our six largest centres will find now similar services in their own university libraries. In doing so, we eliminate annual deficits as well as positions that are becoming redundant.

As concerns the distribution of publication by postal services, we improved that service a lot, as earlier we had to wait from three weeks to one month to receive an order. Our objective is to get it in nine days; it now takes about twelve days, but we hope to reach the nine-day objective within a few months. In doing so, we improve very much what represented 65 per cent of our business volume.

We will also publish very soon a list by subjects of all publications and we shall send this list to special interest groups to avoid sending throughout the country information of no use to the people who get it and so that the people interested can get information on subjects relating to their expertise or their interest field.

In doing so we are going to increase our marketing. We are also going to expand information on government publications and make them available to a greater number of Canadians. Having said that, Mr. Speaker, it may be that some publications will be considered somewhat too expensive by some Canadians. To meet that shortcoming we are sending our publications to all libraries in this country, all those that are registered with the federal government. So there is a legal depository in every library and Canadians can obtain government publications through those libraries without having to spend a penny. For those who insist on doing business with us and buying those publications, once again they will be able to do so from the lists that will be published based on their fields of interest or the expertise sought.

There is a last way which may seem somewhat more attractive for it is surely innovative. We negotiated with CARA which offers various services in several airports in Canada, notably sales services for publications, books on various subjects. So we negotiated with CARA the possibility of having a stand in their bookstores at airports in Canada. So those

Canadians using planes in the various airports in this country will now be able to see in those bookstores the latest publications of the federal government and, if they are interested, buy them. So that is an innovation that will surely increase the marketing and profitability of the publications of the government of Canada.

Finally, with respect to decisions we are looking forward to being a lot more active in our efforts to negotiate once again with the private sector the co-edition of some of our publications, notably, of course, in a general way those that are not official publications of the government but that are rather published in the general or particular interest of Canadians. We want to combine with the collections of the private sector.

Why should government publish books in, say, specialized fields such as mining or botany, regardless of collections already in existence in Canada which could very well take in the different subject matters so that, in its publications, the Canadian government be considered on the same level as the private sector? This would further help create jobs in the private sector, one of the government priorities set out in the Speech from the Throne. We would like to enable the private sector to undertake certain tasks for which government has no technical expertise or cannot carry out competitively.

• (1630)

[*English*]

Mr. Mazankowski: What are you going to do about the redundant Crown corporations?

[*Translation*]

Mr. Goyer: Mr. Speaker, we could take up this question again when the announced bill is considered in the House. Therefore, with regards to our publishing needs, we intend to rely more on the private sector to offer to the Canadian public not only these services but additional ones as well. Mr. Speaker, I would also like to touch on the subject of exhibitions without going into too much detail and taking too much of the House's time since we have not yet defined our policies in detail.

Everybody knows, as do the members of the committee which reviewed the credits of my ministry, that in the field of exhibitions our deficit ran fairly high. My aim is to eliminate such deficits and to run the exhibition service on a cost efficient basis so that we can reach a point when our spendings can be paid from our revenues so that both items be balanced.

There is no reason why we could not reach that aim if, first, there is no more overlapping in the various departments and, second, if the resources are not scattered away. Also, if my department can get clear terms of reference to offer common services to the various departments. Thus, we think that before one or two years at most, we will be able to completely eliminate the deficit. This is only one particular condition, there are many others, of course, for example we should be able to rely more on the private sector. Here again I could say that there is no reason we should do things in the government that can be done more economically in the private sector, and it is on that subject that we are now initiating careful studies to know exactly what would be the necessary corrections to make so that the deficit could be eventually eliminated.

Mr. Speaker, I could give other examples of the measures that we have taken to eliminate certain useless spendings or to restrain government expenditures such as those in the field of computers, when we created pools for buying computers and when we urged the departments to share their use so that the renting of these computers be as cost efficient as possible. Now we are planning to buy certain computers, instead of renting them, and then to rent the computers to the various departments so that we can make the best possible use of our spendings and so that we can use ourselves the renting services.

In the field of photocopying machines, not only in the public sector but also in the private sector, everybody wants to have a photocopying machine very close at hand, something which contributes to increase expenses, henceforth my department will be responsible for making expert services available to all departments so as to make better use of duplicating machines, maximize their output and lower the leasing or purchasing cost of those machines which resulted in heavy expenses for the government and whose costs were not in line with the services they performed.

I could also add that we have completed a study of all storage facilities across the country. While each department wanted that all its storage facilities be located across the land, we have calculated the number of square feet in each area, even in each city, across Canada and we realized that we could use those facilities collectively and could provide the same services to the departments but at a much lower cost.

Those instances have already been mentioned and this will result in many millions of dollars in annual savings because we have put forward a clear and precise policy whereby government services must be provided adequately to all Canadians to meet rapidly their needs. And that is possible by realizing savings and performing more effectively.

Mr. Speaker, Canadians are currently asked to use restraint in their wage settlements, to reduce their expenses. Workers and industries are being asked to increase productivity, to work harder to put our economy back on the right course. Various levels of government, whether municipal, provincial or federal, are called upon to take their responsibilities, to reduce unwarranted government expenses, to eliminate waste, to ensure we give Canadians good but efficient and economical services. In this vein, I am amazed that in a province where there are now suggestions that the people should eventually separate from the rest of Confederation, that Quebecers are invited to get into absolutely unwarranted expenses in the current economic context.

For instance, urging Quebecers to separate is asking them to grossly overtax themselves to pay for unwarranted expenses. Efforts, talents, time and money are spent and civil servants are at work to undo what the governments are trying to build. In my view that is negative thinking, and Quebecers will have an opportunity to realize this is no time for adventure, this is no time to hire economists or other human resources to do

demolition work, while we are trying to improve the well-being of Canadians, and thereby building a better Canada and government structures that can serve the people better.

● (1640)

[*English*]

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, on December 18, 1975, the president of the treasury board announced the elimination of the subsidy on the movement of flour and grain through the east coast ports. This is a very serious move and one which will have devastating and far-reaching consequences. This is in clause 15 of Bill C-19, formerly Bill C-82. If this subsidy should be removed, many aspects of the economy such as the eastern ports, the farmers, inland grain terminals and the flour industry, stand to lose. The scope of this problem is very large indeed. During the last session the hon. member for Halifax-East Hants (Mr. McCleave) and the hon. member for Vegreville (Mr. Mazankowski) mentioned the effect the removal of this subsidy would have on the flour industry in Canada. However, Mr. Speaker, let me refresh the memory of members of the House.

First, the removal of this transport subsidy could cause freight rates in some cases to jump by as much as 212 per cent. This is an unrealistic figure, no matter what one happens to be talking about. Second, because of these increased costs, Canada will stand to lose any competitive edge it currently holds in prices, and as a result our flour buyers will be forced to look for alternative suppliers. The alternative suppliers in this case would be the Americans and the European Economic Market. It is interesting to note that both these alternative suppliers already enjoy a competitive advantage with their various export subsidy programs.

Third, the elimination of this subsidy could mean a loss of $28 million, in what economists call the "added value processing activities", with most of this occurring in depressed areas of our country. Fourth, many plants in the milling industry will be forced to close, with lay-offs approaching 3,000 personnel. This figure is for workers directly engaged in the flour industry. Who knows how many workers will be indirectly involved. I ask the government this question: How can you adopt a plan that will increase unemployment when we are already living in an economy where unemployment is over 7 per cent?

Fifth, it is felt that our domestic price of flour will go up because of the number of mills operating at less than full capacity. As one can well see, the removal of this subsidy will have negative results in the flour industry, so much so that the flour industry might be forced into further declines and lose even more of its share of the export flour trade. Of course, there is also the significant effect the reduction in the movement of grain, as a result of the subsidy cut, will have on the eastern ports. This has been discussed in greater detail by the hon. member for Halifax-East Hants, but let me touch on it briefly. First the removal of financial support for shipments through eastern ports will require increased freight rates. That, in turn, will have the effect of pricing the facilities of

[Mr. Goyer.]

Saint John and Halifax out of business. Naturally, accompanying this will be loss of jobs, loss of markets and reduced rail movements: the list goes on.

However, the biggest injustice here is that at the same time the government announced the plan to eliminate the subsidy to the eastern ports, it also announced that the tolls on the St. Lawrence Seaway will not be raised this year, even though this is needed to meet operating costs. The government will subsidize the Seaway and the Great Lake ports, but will let the Atlantic ports fend for themselves.

The third point of discussion, and one which the government has met with weak solutions, is the question of what will be done with this extra 35 million bushels of wheat that is currently handled by the rail movement from these inland terminals to the eastern ports. One solution, as suggested by the government, is the adoption of a new system for moving grains. One that has been discussed is the concept of unit grain trains running from the prairies to Halifax or Saint John. This proposal, however unique-sounding it may be, cannot be considered as a serious alternative. It has never been heralded by the Wheat Board as an alternative mode of grain transportation to the eastern ports. It has never had practical application from the prairies to Halifax or Saint John. It has even been said that the roadbed on which these trains are supposed to be able to travel is not strong enough to support these proposed unit trains full of grain. They will not be able to support any unless a great deal of money is spent improving the roadbed.

● (1650)

The general feeling among the people affected by this proposal is that this extra grain will never see the eastern ports under any other type of grain movement. It is felt that this extra grain is likely to be moved out of the Vancouver port. This is ironic in that the facilities are already overloaded, especially with wheat, and it will not be encouraging to our export buyers if they have heard of the labour unrest there, or are from the other side of the Atlantic. The conclusion that must be drawn from this information is as follows: there may be more efficient and cheaper systems for this movement of grain, but let us carry out our experiments now before we change the present system. Let us find out all there is to know about these alternatives before any present system is replaced or subsidies cut.

Another question to ask in this discussion is: How is it that this particular subsidy is being chosen as the one to be cut? This subsidy, which is in the neighbourhood of about $11 million annually, is quite small and not all that staggering, especially when you compare it to others. For example, $150 million is being spent annually on the subsidy for the movement of grain from the prairies to Vancouver and Thunder Bay. If the government wants to make some savings, simple arithmetic tells you that $150 million is much more than $11 million. This is only one of many examples of grain being moved at statutory rates. There has been no government action to cut any of these rates.

Another question, and one that is of particular relevance, is: Why is the public outcry so loud? The reason for this is that the public was never given any indication of the government's intentions before the actual decision was announced on December 18, 1975. After the announcement was made and the people were given a chance to study the consequences, they had every reason for public alarm. It was most evident that very little time or effort on the part of the government had gone into this decision. It seemed that the government had some obscure motive for making this subsidy cut. They certainly had not made a responsible decision, taking into account the government's restraint on transportation programs. It was evident that the subsidy underlying this particular rate was easy to identify, and thus became an easy target for the cut.

It can be said that with the removal of the subsidy and a strict enforcement of the user-pay concept, with no clear alternative policy proposed, the government is abandoning the basic principles of transportation policy, that it should be a tool of regional development and an instrument for national policy. It has also been said that the decision to cut the subsidy was taken before a study of the effect was ever considered. Clear proof of this lack of study is the failure of the government to offer an alternative policy. If a study had been carried out, I am sure it would have shown how disruptive to the Canadian economy will be the action that the government proposes. It would at least have recommended that the subsidy be phased out of existence, not dropped so suddenly. It would have found, also, that despite the restraint objective of this subsidy cut, the end result, with unemployment and disrupted industry, would be increased costs to governments. It would have found that the proposed loss of this subsidy cut to the Canadian economy was estimated to be in the neighbourhood of $100 million. The final comment is that these people and industries must be given a chance to adjust; they do not need this form of shock treatment.

The last point of discussion in respect of the removal of this subsidy, and one that is of great concern to me, is the effect it will have on the inland terminals and on the people who are dependent on the services these terminals provide. The specific terminals in question are those located along Georgian Bay, Lake Huron, Collingwood, Midland, Port McNicoll, Goderich, Owen Sound, Sarnia, Toronto and Kingston. The terminals are presently being used for the movement of grain on the Great Lakes and to the eastern ports. The program in which they take part and which is of interest here is the annual movement of about 35 million bushels of grain by rail to the eastern ports. This movement takes place mainly in the winter months and is subsidized annually to the sum of approximately $10 million to $12 million.

This program is very important to these terminals and makes up most of their winter activity. If it were lost, these terminals would definitely be forced to close in the winter months. With this closure would come the characteristic problems associated with a seasonal industry, everything from the usual labour problems to the more serious problems encountered with the loss of the services these terminals provide. The whole problem here is that removal of this subsidy and the subsequent closure in the winter months would not be the end result. The end result would be in the indefinite forced closure of these terminals.

Why would the removal of this subsidy cause the terminals to close indefinitely? This is an important question, but one that can be easily answered. The removal of the subsidy will cause decreased activity in the winter months and an over-all reduction of grain movements through these terminals. As a consequence, the operating deficits of these plants will rise until it is no longer profitable for them to stay open. When they reach this point, their doors will close.

Another reason these terminals should not be allowed to close is that these facilities provide a valuable alternative to the St. Lawrence Seaway. If, for some reason, the Seaway was ever forced to be closed or shut down for any period of time, the inland grain terminals could be used to their maximum. Even now they are extremely important during times of strikes or the slowing down of grain movements to Thunder Bay. Another segment of the economy which will be affected by the removal of the subsidy, with its subsequent effect on terminals, is the Canadian grain plan. The farmers of Ontario would suffer a cut in the supply of feed grains.

At present, farmers depend on these terminals for the distribution of the majority of their feed grains. When the terminals close, farmers will be faced with having to find alternative sources of feed grains. These alternative sources will most probably supply the grains at a higher rate. The Quebec farmer who is dependent on feed grain storage at Seaway terminals will also suffer. Terminals further down the Seaway near Montreal and Quebec will not waste any storage capacity on feed grains. Instead, they will concentrate only on export grain. The higher price of rail movement of grain will dictate that these terminals accumulate as much export grain moved by water as possible. There will be no room for feed grains. The western farmer will lose the markets which are supplied by grains from eastern ports. This will be the result because of the possible price differential which grain buyers will have to pay in winter months when grain arrives at these ports by train.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Turner): Order, please. It is my duty, pursuant to Standing Order 43, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for St. John's West (Mr. Crosbie)—Energy—Possibility of re-activation of refinery at Come-by-Chance—Government position; the hon. member for

Humber-St. George's-St. Barbe (Mr. Marshall)—Canadian National Railways—Reduction of staff and service in Newfoundland—Request for investigation; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Energy—Request for tabling of documents relating to establishment of uranium refinery in Saskatchewan.

PRIVATE MEMBERS' MOTIONS

[*English*]

MEASURE TO PROVIDE RESIDENTIAL TAXES AND RENTAL PAYMENTS OF ACCOMMODATION TO BE DEDUCTIBLE FROM INCOME TAX

Hon. Stanley Haidasz (Parkdale) moved:

That, in the opinion of this House, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum allowable of $300 each year.

He said: Mr. Speaker, I welcome this opportunity to propose in this session of parliament a motion seeking tax relief for the already overburdened municipal taxpayer. In reintroducing this motion, I hope to bring to the attention of the federal government, and especially to the attention of the Minister of Finance (Mr. Macdonald), the urgent need to alleviate the heavy and intolerable burden of the Canadian taxpayer who is not only heavily taxed today but in most cases is also a victim of double-taxation.

● (1700)

My motion calls for an amount of up to $300 as a deductible expense from federal personal taxable income for municipal taxpayers of owner-occupied homes and tenants renting accommodation in rooming houses or in apartments. We all know that the provision of shelter is a basic one for decent living, and we are also aware of the difficulties today of obtaining adequate and affordable housing with the many services expected and demanded by people in our affluent society, especially in urban and industrialized regions. No level of government acting alone can hope to meet successfully all these demands and needs. That is why all levels of government should be involved in the matter of providing affordable housing and tax relief for the municipal taxpayer.

To be really successful in this task, the three levels of government must co-operate. As the involvement of the federal government in municipal affairs is very limited, due to the provisions of the BNA Act, provincial governments are mostly responsible for education, municipal land use, local economic planning and the provision of many other services to people living in homes in our cities and towns. Unfortunately, not all provincial governments have as yet developed satisfactory policies and programs to ease the financial burden of municipalities. As a result, municipal governments have to tax property owners to raise the money to provide more and more of those services which the people demand and which are becoming costlier every year.

Property taxes have become the major source of money for local governments, making up to 80 per cent of the total municipal revenue, exclusive of transfer payments. In turn, residential property is the main source of property tax revenue for municipalities. However, the many services provided by municipalities, especially education, bear little relationship to the value of one's property holdings, and yet educational costs today comprise from 50 per cent to 60 per cent of our municipal tax bill.

Furthermore, a property tax in isolation cannot meet the ability to pay principle in the matter of taxation, and there is no precise relationship between property ownership and ability to pay. For example, an elderly couple has no great capacity to pay taxes by virtue of owning property. Therefore, property taxes today are considered by many tax experts to be regressive, inflexible, inequitable and bearing heavily upon those who can least afford them. Furthermore, the person paying municipal property taxes is a victim of double-taxation. That is why many countries—for example, the United States—avoid this kind of injustice by allowing property taxes, mortgage interest payments and other expenses as items deductible from personal income tax. On the other hand, Canadian taxation laws allow businessmen to deduct real estate taxes and many operating expenses as items deductible from their income tax.

In the present economic crisis which our country is undergoing, I think it is urgent that the federal government take special measures to reduce unemployment, to control cost of living expenses, and in particular to cut taxes to stimulate the economy. Measures encouraging the construction and purchase of homes would increase the number of jobs and provide a much needed stimulus to our economy. Almost daily we read announcements and predictions in the newspapers that mill rates, hydroelectric rates, water rates and heating costs will be rising again this year almost to intolerable levels in spite of controls and the anti-inflation program. These developments are tragic to people on low incomes, and especially to our senior citizens on fixed retirement incomes. Renters of accommodation in rooming houses and apartment buildings will also face increased rents, as all these services will push up rents in spite of rent controls.

These problems have frequently been brought to the attention of the Minister of Finance, and recently by the Federation of Mayors and Municipalities of Canada. The members of this federation expressed great dissatisfaction with the senior levels of government for not giving municipalities sufficient financial assistance to keep down municipal taxes. I am particularly happy that recently the Canadian School Trustees' Association, in a letter to me, expressed their interest in this motion and I would like to read a policy article which that association published at one of its conventions. It reads as follows:

The Canadian School Trustees' Association believes that financial measures should be undertaken by the government of Canada that will permit school-taxes on local property-owners and tenants to be deductible from taxable income.

I hope hon. members support such a policy statement. The rumblings of discontent are growing louder each year in all sectors of Canadian society faced with rising costs and heavy taxation, and that is why it is imperative that the Minister of Finance give this matter serious attention. The federal government has already recognized basic tax relief for marital status, dependants, charitable donations, special medical costs, moving expenses, and job-related expenses. Since I first introduced this motion in November of 1967, the federal government has increased its total expenditures from $11 billion annually to over $35 billion last year. That amounts to an increase of $24 billion. Therefore, the cost of the program I am proposing should not be entertained by the government or by hon. members speaking in this debate as an excuse for turning it down. I think it is high time the federal government recognized the need to grant Canadians basic tax deduction for shelter. I believe that the support and acceptance of my motion this afternoon will help ease the heavy taxation burden carried by our citizens.

I make this motion as a matter of urgent importance and with the serious intention of trying to solve some of the problems of property taxation which have been recognized before now to be inequitable and regressive. Therefore, I hope that this afternoon I will receive support for my motion from all sides of the House.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rather suspect that the time for the discussion this afternoon will be much too short, because over the past many years I have attended political conventions and policy meetings at the local, provincial and national levels and I know that this subject has come up for considerable discussion. On the face of it, this proposal does sound very attractive, but one has to consider the context in which such proposals have always been presented. Some 10 to 15 years ago when I first dealt with a proposal like this, it was put up, particularly by municipal authorities as an incentive for home ownership.

● (1710)

Civic administrations felt that if they had a higher mix of owner-occupied homes rather than tenant-occupied accommodation in their communities, they would have a more stable population and if the individual was the owner of the premises he occupied there was a greater incentive for him to maintain and improve the property. This was the chief purpose of the proposals 10 or 15 years ago, but it seems to have gone by the board today. The proposals we see are like that made by the hon. member for Parkdale (Mr. Haidasz), designed to alleviate the burden of taxes in this high inflation period. In other words, it is an income-relieving proposition. It is not an incentive program for the owner of property but, rather, is relief against inflationary pressure and ever-increasing taxes at all levels.

The Ontario tax credit provides for a variant of the formula proposed by the hon. member. On the Ontario tax credit return one stipulates the amount of taxes paid during the last taxation year on property owned or rented, and a credit is available. It must be remembered that the hon. member, although his resolution does not say so exclusively, is going for tax credit, not merely a deduction of $300 on taxable income. That would be almost meaningless for all tax credits, whether they be for interest paid on mortgages or on owner-occupied properties. We have seen this proposal many times in this House and outside, and there are various difficulties with it. With all these proposals one has to make up one's mind about the negative consequences.

I think the hon. member said he would grant a credit on owner-occupied residences or to tenants. If he understands income tax law, he will realize that theoretically the tenant has already received the benefit of a tax credit toward that rent, because if there have been expenses with regard to the rent, the owner of the property has been allowed to deduct them and therefore there is, theoretically, already an advantage to the tenant.

But how can each taxpayer be treated equitably? In 1974 my party put forward a proposal that interest rates above 8 per cent, to a maximum of a certain amount, would be deductible from income in order to arrive at a taxable income. But that suggestion had some difficulties with it. It really encouraged the taxpayer to take on a mortgage regardless of the interest rate because he would get credit under the Income Tax Act for anything above 8 per cent. It is the same with the proposals that mortgage interest beyond $5,000 per year, say, would receive some form of subsidy. This is not to encourage ownership but is merely a sort of one-shot affair to alleviate high interest rates. Personally, I do not think that would work; it would be counter-productive.

In this particular instance I wonder whether the benefits that will accrue to the taxpayer will be worth the complexities of the income tax return. With some 18 years' experience on both the government and opposition sides, I know that every exception to income tax leads to greater complexity in the return. It costs a great deal more to administer and it means more trouble and expense for the taxpayer whether the return is completed by himself or someone else. As a matter of fact, a very simple income tax system would be one that taxed revenues at all levels at a flat percentage. It would certainly be an incentive to get out and make more income and develop initiative. On the other hand, for those who are believers of a steeply progressive income tax—and I am not—we start getting exceptions. We have exceptions under the Family Allowances Act. If there were to be the elimination of the child allowance from income tax, it would mean a substantial reduction; at one time estimated almost as high as five points across the board.

There are workers' allowances, moving allowances, allowances for this and for that. As far as corporate income tax is concerned, every exception gives rise to all sorts of difficulties and to greater expense in computation of tax return. I do not think that system necessarily does greater justice in this particular instance, bearing in mind that it is used with some degree of success. I think the hon. member would have added more to his motion if he had included an allowance for

expenditure of sales tax to see what the total tax burden is on the individual. If the purpose of the motion is to equate the weight of the total tax burden, it is very poor thinking to say that under the Income Tax Act persons earning $5,000 a year shall not pay income tax.

● (1720)

Let us assume that the figure is $5,000. That person may be relieved of the obligation to pay federal income tax; but is he relieved of the obligation to pay municipal tax if he owns a home? Such people may own homes which they bought many years ago when conditions were somewhat different. The owner may have built the home himself and it may be fully paid up. But the point is that the person must still pay his municipal taxes and must also bear as high a load, if not a proportionately higher one, of the retail sales tax burden in certain provinces. Such person must also pay the federal manufacturers' tax—the indirect sales tax which enters into the commodities people buy. Therefore, this proposal will do little to lighten his load.

One hears people speak of low income earners. It is hard to say just who is a low income earner these days, because today people in middle and upper income brackets are living just beyond a bare subsistence level. Only 20 years ago we thought such people were well off.

I suggest, Mr. Speaker, that we ought to consider the total tax package. If the hon. member were to bring forward a proposal covering the total tax package, I think we should be prepared to look hard at it. The hon. member's proposal contains an element of rough justice. Unfortunately, it does not go far enough. I suggest that it would be better to consider the total tax burden borne by the group the hon. member wishes to favour.

In addition, we ought to consider the value of a $300 tax credit to a man paying a marginal tax rate of 50 per cent. One immediately sees the difficulties of applying the tax credit to the varying tax scale brackets. The $300 tax credit is more valuable to a person paying tax at the rate of 50 per cent at the margin than it is to the person lower in the income scale or even, shall we say, to the poor chap who is not paying any income tax. After all, what is the $300 credit worth to the man not paying tax? Absolutely nothing. The cake disappears from the plate before he can eat it. Therefore, we must examine all the factors of this proposal. It is not as easy to resolve as it would first appear to be, and I invite hon. members to give further consideration to the various aspects of this proposal. We are considering a subject which some find it popular to advocate without examining closely its many ramifications. Certainly, a proposal like this could cost the treasury tremendous amounts of money. That is why we must examine its facets in detail to see whether it provides a greater degree of justice than injustice.

Mr. John Gilbert (Broadview): Mr. Speaker, I congratulate the hon. member for Parkdale (Mr. Haidasz) for bringing forward his perennial motion calling on the government to give consideration to allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum of $300 each year. This proposal will probably be talked out by the hon. member's Liberal colleagues since it has not been received well by the cabinet, especially the Minister of Finance (Mr. Macdonald) and the Minister of State for Urban Affairs (Mr. Ouellet).

[Mr. Lambert (Edmonton West).]

I must say the hon. member for Edmonton West (Mr. Lambert) treated the meaning of "deductible" somewhat charitably. There is a difference between a deduction and tax credit, and I think the hon. member sponsoring the motion spoke of deductions rather than of tax credits. I suggest that a deduction in this regard would be of little or no use to many people and a tax credit as proposed would be practically useless to those not paying taxes, including pensioners, people on fixed incomes and those earning low and moderate incomes. Perhaps when the hon. member brings forward his motion again next year he will clarify its language and speak of tax credits rather than tax deductions.

Arguments for deductibility are popular and persuasive; yet on close examination one sees that the idea behind them is expensive, regressive and a gimmick which offers little advantage to the average and low income owner-occupier or tenant. Therefore, the hon. member's proposal would be of real benefit only to those high in the income scale, to high income earners and to renters. One could best describe his proposal as prescribing an aspirin for a migraine headache, for he is considering the symptom rather than the cause.

Let us examine more closely the deductibility proposal as put forward by the hon. member. Studies show that such deductibility would be most expensive. I imagine that is why the Minister of Finance and the Minister of State for Urban Affairs do not support the idea. Allow me to quote the views of William Teron, chairman of Central Mortgage and Housing Corporation, on this subject as expressed in a recent edition of *Executive*. He is reported as saying:

> As far as deduction of interest charges or taxes, municipal taxes off peoples' incomes, etc., this is an extremely costly program, or would be a costly program. The loss of revenue by government would be something in the order of $1 billion per annum. It would be terribly regressive in that those with larger homes would benefit more than the poorer ones; which is almost in reverse to what society accepts. And we spend something like $200 million-$280 million or thereabouts right now to pay for the subsidies of all the public housing and all the sewerage treatment, etc., that we have done in Canada. And here with one item you would spend four times as much in one year to help all those Canadians who are extremely well-housed, beautifully-housed.
>
> Those Canadians well-housed don't need help. And I believe it is terribly important that we be very selective to help those who don't have good housing.

The attitude of the chairman of CMHC is supported by the government. We contend, as well, that deductibility as proposed is regressive from the point of view of the moderate and low income earner. I suppose I could best illustrate my point by mentioning the Registered Home Ownership Savings Plan introduced by the former minister of finance, Hon. John Turner, in the 1974 budget, and passed. That program allows a taxpayer to deduct $1,000 from his income every year up to a maximum of $10,000, provided the money is set aside in a special account and used ultimately to buy either a home or

home furnishings. Persons who already own a home are not eligible. As long as the money is to be applied to the purchase or furnishing of a home, it is deductible from income tax and the interest such money earns is not taxed. On the other hand, if the taxpayer decides not to buy a home or furnishings he or she can transfer it to a Registered Retirement Savings Plan and, likewise, avoid taxation. So much for the RRSP program.

Returning to the Registered Home Ownership Savings Plan, in 1974 a subsidy of $65 million was provided. Who gained from that subsidy? Of people earning between $5,000 and $10,000, one in 49 participated in the program. Of those earning between $10,000 and $15,000, one in 32 participated. Of those earning $50,000 or more, one in 16 participated.

The average income earner in the $5,000 to $10,000 bracket received a grant of $264.93. A person earning between $15,000 and $20,000 would be eligible for a grant of $365, a person in receipt of between $20,000 and $50,000 would be eligible for $462, and a person with more than $50,000 could receive $571. Contrast this with the amount available to people with less than $2,000. They got a grant of $105. People getting between $2,000 and $5,000 received $203. That is what happens under a program of this type. To him that hath it shall be given, and from him that hath not, it shall be taken away.

• (1730)

The problems of housing cannot be solved by gimmicks. We have to build homes at reasonable cost. When I talk about homes, I am talking about homes for families, rental homes, public housing, non-profit housing. The former minister of state said there were 800,000 people in Canada who paid more than 25 per cent of their income in rent. These are the people we have to help. How is this to be done? By bringing down interest rates.

Last week I made a speech in the course of which I drew attention to what a person pays on a mortgage of $50,000 at the current interest level of 11.5 per cent for a 25-year period. He pays $498 a month, principal and interest. Over the 25-year period total payments amount to $143,000. This is what we have to attack. Surely there is a social responsibility on the part of governments and of all financial institutions to bring down interest rates so that people can buy homes at reasonable costs.

We have to assist tenants by bringing in meaningful measures of rent control and shelter allowances in the case of those on low incomes. We must bear in mind that most people do not pay personal income tax, which is why we must think in terms of shelter allowances rather than tax deductibility. The hon. member for Parkdale was talking about tax credit. But a person who does not pay taxes gets no tax credit whatsoever. It is important that the hon. member distinguish between a tax deduction and a tax credit.

It is time the government attacked the high cost of land. In the year between 1975 and 1976 the price rose from $6,542 to $8,520—that is the average cost of an NHA lot; it increased by 30 per cent in one year. The hon. member comes from Toronto and he knows it is impossible to buy a lot there for less than $30,000, so something has to be done. Mr. Teron, the head of the CMHC, says land costs have behaved very badly and that counter measures will be taken through a land mapping process.

What the government has to do is increase public land banking and release the land at the proper time so that the cost of land is brought down. The hon. member for Parkdale knows as well as I do that the land around the perimeter of Toronto—and this applies to land around the perimeters of almost every major city in Canada—is in the hands of land developers who release it only when it is to their financial advantage. The government should step in, acquire land, and release it at the proper time in such a way as to bring prices down.

The hon. member for Edmonton West (Mr. Lambert) outlined some of the ways in which the provinces are giving help to municipalities. It is true that in Ontario tax credits are available. The system should have wider application. At the moment the limit is $90 but the scheme might well be extended to cover taxpayers with moderate incomes. I believe more tax credits are needed.

I appreciate the fact that municipal taxes are posing an increasing burden. In my view we ought to shift the portion covering education to the provinces and to the federal government—they do pay a certain amount at the moment. But they would have to pay an increased share, more especially on behalf of taxpayers with moderate and fixed incomes.

I cannot accept the proposition of the hon. member for Parkdale that a deduction with respect to owner-occupied homes and rental homes be allowed under the Income Tax Act. But if the hon. member is not successful in persuading the Minister of Finance to put forward his ideas in this respect I hope he will be successful in persuading him to adopt the proposals I have just put forward for a national house building program, a plan to tackle high interest rates, the need to impose greater responsibility on financial institutions, to provide for meaningful rent controls and shelter allowances, and so on. If he does this I shall be very proud of him, but at the moment I am not persuaded of the validity of the proposition he has set forth today.

Mr. F. A. Philbrook (Halton): Mr. Speaker, first I should like to thank and congratulate by hon. friend from Parkdale. His proposal was well presented and it was obvious, even without benefit of a chest X-ray that his heart is in the right place.

As a regular member of the Standing Committee on Health, Welfare and Social Affairs, and as one who has received a number of public inquiries on the subject, I greatly appreciate an opportunity to address myself to this subject.

This debate has to do with the need for shelter, one which is considered by many to be a basic human right for the sake of security and privacy. This is the case even in countries with the mildest climates, countries where people can live outdoors the year round if they so choose. How much more vital is it, then,

to make sure that people are properly housed in a country such as Canada where one can actually perish in the cold seasons, even within shelter, in the absence of related needs such as adequate heating and clothing. This question of survival is acutely aggravated at the present time by such modern tensions as the rapidly rising cost of living, increasing expectations, changing values, social instability, and the energy crisis.

What is the hon. member proposing? He is proposing that property taxes and rental payments be deductible from income tax up to a maximum of $300. I am not sure whether he intended to include mortgage interest payments.

● (1740)

What are some of the main points of the government's position on this subject? First, proposals to allow property tax deductions or credits against personal income tax are usually advocated on one of two grounds. It is sometimes held that such a measure would aid the housing sector. Secondly, it is often held that government should reduce the high cost of housing by enacting such a measure.

The current level of housing starts is over 260,000, seasonally adjusted at annual rates. While this is slightly less than the peak reached earlier in the year, the reduction is not a result of any fundamental weakness in this market but rather a return to sustainable levels of activity. Provision of a measure of this sort is likely to have negligible impact on starts as only a small fraction of the tax savings would be in respect of new units. Any measure of this nature that stimulates the demand side of the market will have the undesirable effect of putting upward pressure on prices and rents and would thus frustrate, to some extent, the efficiency of the measures in reducing housing costs.

As it is highly unlikely that a measure of this sort would have significant positive effects on the housing sector, such a measure becomes essentially a transfer payment. Considerations of equity are thus of primary importance. Judged on this basis, even including the proposed $300 maximum, the proposal of the hon. member for Parkdale (Mr. Haidasz) does not appear too desirable.

As background to any consideration of the equity of the measure, it should be noted that in recent years the property tax component of the consumer price index has risen no faster than other prices and costs. Against this background it seems fair to say that singling out this component of the recent inflation and subsidizing these particular costs via the tax system is not generally equitable. The government has, via indexing and increases in the federal tax cut, used the tax system in a much broader fashion to compensate those who are hardest hit by inflation.

In addition, if the hon. member for Parkdale is proposing that all rent be deductible up to the $300 maximum, the proposal will be discriminatory in favour of tenants as opposed to homeowners. Equity would require that a percentage of rent, roughly equal to the property tax content of rents, be deductible. Furthermore, a simple deduction or credit approach, as recommended by the hon. member for Parkdale, would not adequately recognize the income of the recipient. Some reduction in the deduction or credit available, based on the individual's income, would appear essential to ensure that the benefits are directed to those who are hardest hit by increases in housing costs.

While modifications along these lines could be accomplished, any proposal of this nature, regardless of its structure, will involve further inequities. The ultimate beneficiaries of such a general measure will not be those who receive the initial tax deduction. For example, if house prices and rents rise as a result of the deduction, a substantial portion of the benefits would accrue to developers. A measure of this sort makes little allowance for the housing needs of different persons. It could well be argued that larger families require relatively larger dwelling units and thus should be allowed a credit or deduction for a relatively larger fraction of their property tax or rent.

In addition, the inequities between persons residing in different provinces would probably be severe. This would occur because provincial-municipal financing arrangements vary significantly from province to province. In particular, that share of services provided by provinces, and the share of municipal revenues made up by provincial grants, as opposed to property taxes, varies dramatically by province. While this is not a concern to an individual province in structuring its scheme, a federal measure related to property taxes that, of necessity, had a uniform structure across provinces would result in different benefits in different provinces, and would cover a different percentage of the total costs of municipal services in each province. In addition, property tax assessment systems in different provinces differ in their treatment of various types of property. This fact would result in inter-provincial differences in the benefits flowing to various types of housing. The inter-provincial inequities resulting from these facts would be substantial.

Several other points are in order in judging the desirability of this proposal. First, as a result of the measure, municipalities could feel less pressure to hold property tax increases down. As a result these taxes could rise, and/or provincial grants fall, from the levels that otherwise would have occurred. This effect would pervert the aims of the proposal and substantially increase the revenue cost. Such a scenario is also not the most efficient way for the federal government to transfer resources to municipalities.

Second, while property taxes are undoubtedly a cost of home ownership, they are levied by municipalities and provinces in order to pay for goods and services. Responsibility for these taxes is a uniquely provincial-municipal affair. Provision of a deduction along the lines suggested by the hon. member for Parkdale might be regarded by provinces and municipalities as an unwarranted federal intrusion into their affairs.

The precise structure that the hon. member for Parkdale has in mind is not clear. In particular it is not clear if he is proposing a deduction from income or a credit against tax paid. While most of the effects noted above would be independent of the precise form of the measure, the revenue

cost, and the relative size of tax savings at various income levels would, of course, depend crucially on the structure.

It is estimated that a deduction from tax payable of up to $300 would cost something in excess of $2.5 billion. If the measure were structured as a deduction from taxable income, the cost would be some $500 million. Even with the $300 maximum, a substantial portion of the benefits of such a measure would flow to higher income persons.

The federal government allocates substantial resources to the housing sector. The CMHC budget for new loan commitments is some $1.2 billion. The main portion of these loans will benefit lower income persons. In addition, the expenditures of CMHC for programs such as grants and public housing subsidies is some $300 million. Again a substantial portion of these expenditures, under programs such as AHOP and RRAP, the assisted home ownership plan and residential rehabilitation assistance plan, go to lower income persons. In addition, in 1973 the federal government included municipal school-purpose taxes in the federal-provincial equalization formula. As a result equalization payments are currently some $200 million higher than otherwise. These payments, of course, go predominantly to lower income provinces. It is obvious that all of these existing federal measures provide benefits to those most in need. The proposal of the hon. member for Parkdale, on the other hand, would provide to some extent benefits without regard to need.

What then is the government's conclusion? A measure of this nature does not appear to be desirable. It would not provide significant impetus to the housing sector and would have the perverse and undesirable effect of putting upward pressure on house prices and rents. While the lack of clarity in this proposal makes precise determination of the equity effects difficult, it is the case that the proposal would not impinge equally on persons living in different provinces and it would not adequately account for the different housing needs of families of different sizes. As property taxes have not risen faster than the CPI, subsidizing this particular cost does not appear equitable. The measure would involve a substantial reduction in federal revenues and would not direct benefits to those most in need. Lastly, it would be construed as an invitation to municipalities to raise property tax rates.

In addition, there are a couple of other counter-arguments which have been raised. First, let me compare United States and Canadian tax systems. In response to the argument for a deduction of the expenses on the basis that the U.S. allows it, the following points should be made. It is practically impossible to make meaningful comparisons of personal income tax practices in Canada and the U.S. because of differences in the basic income tax systems. For example, although municipal taxes and mortgage interest on homes are deductible in the U.S., capital gains from the disposal of a home are taxable and the basic personal exemptions are lower in the U.S. than in Canada. While Canada allows a deduction for pension contributions, the U.S. does not. Also, the method of recognizing state and provincial income taxes for federal purposes is different in the two countries. All tax comparisons will have to be made in the context of the total tax structure and the social welfare programs in each country in order to be meaningful.

Secondly, with regard to municipal taxes and mortage interest expense of home owners from a tax policy point of view, one basic principle in Canadian income tax law is that no deduction is allowed in respect of personal expenses. Because the purchase of a home is for personal reasons, such as private living accommodation, no expenses incurred in respect thereof could ordinarily qualify for a deduction under this principle. Although the purchase of a home is a large expenditure, it is no different from a taxpayer's purchase of furniture, clothes or a car. Personally I take issue with that viewpoint but it is one that has been expressed.

● (1750)

These are the main points of the government's position on this subject. However, given the crucial need for shelter in a harsh climate such as Canada's, in a world where shelter should be a minimum basic human right for security and privacy even in areas of the world with an easy climate, the high costs of housing due to speculation and other reasons, and the social importance of stable family life, it behooves any government, and especially one like ours, to recognize persistent public concern for the cost of housing and to give thorough consideration to all suggestions to modify it.

Surely the wit of man, especially the political man, can do that much. This certainly includes the high costs of land, due perhaps to an increasing oligopoly of developers and builders, particularly in dominant urban areas, which are mounting even faster than the costs of buildings themselves.

Whether or not this motion comes to a vote, I urge governments at all levels to give it serious thought. I again commend my colleague, the hon. member for Parkdale, for championing this cause.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I want to comment briefly on the motion introduced by the hon. member for Parkdale (Mr. Haidasz). The House may be assured that I shall not try to kill his motion, because I should like it not to be disallowed. I feel that the issue raised is of paramount importance, although the motion is very moderate, not to say nearly insignificant for the small wage earner.

I have never been able to understand why successive governments have never studied the discrimination which exists between the owner of a single-family dwelling and that of an apartment building. Even now, the owner of a single-family dwelling is unable to deduct a cent of his municipal and school taxes from his income. He must pay 100 per cent of it and, if he borrows to build or repair his house, he must reimburse 100 per cent of this loan, because it is a single-family dwelling. He must pay these taxes twice, while the owner of an apartment building will be exempted to pay two-thirds of his municipal and school taxes, as well as two-thirds of his income tax and of the interests on the money he had to borrow to build this apartment building.

He is continually favoured whereas the person who would need it does not have this opportunity. If this corporation or this individual has enough funds to build up low or high rent apartment buildings, he is favoured, Mr. Speaker, because he is entitled to all those tax deductions. He is entitled to all those deductions whereas the low wage earner wishing to build a house for his family is entitled to none of them. This is the discrimination I want to expose to the House tonight.

But they fear depriving treasury of a mere $300. If that makes the tax collector nervous, Mr. Speaker, let us tax a little more those who can afford to pay. It is said that big monopolies, big corporations do not pay more than 25 per cent of the whole taxes in Canada, whereas workers pay 75 per cent. This is asking workers to pay to enrich big monopolies, period.

The motion, although very moderate, should be accepted. As I do not want kill it, I will take my seat immediately.

[*English*]

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I wish to make a very brief comment with respect to this motion as I too do not want to kill it.

I want to assure the hon. member for Parkdale (Mr. Haidasz) that a Progressive Conservative government will carefully consider the principle that a proportion of municipal property taxes and interest on mortgages should be deductible from the federal taxable income of homeowners or should form the basis of a federal tax "credit" scheme. One condition is that a comparable tax benefit should be extended to tenants.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, there have been some very eloquent speeches on this subject.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise on a point of order. I hope that the hon. member who has just been recognized by the Chair will complete his remarks prior to the time of adjournment so that the motion may be put to a vote of the House. This is an extremely important principle.

The Acting Speaker (Mr. Turner): Order please. The hon. member for Welland (Mr. Railton) has the floor.

Mr. Railton: Mr. Speaker, the intervention by the opposition House leader is non-understandable, as are most of his remarks.

A proposal such as the one put forth in this motion by the hon. member for Parkdale (Mr. Haidasz) cannot be settled in a very short time. Of course it would not come to a vote anyway.

Some hon. Members: Oh, oh!

Mr. Alexander: Why not?

Mr. Railton: It has to be discussed further than just during a mere private members' hour when people are filling in time, as they have been doing. This motion has not been discussed in everyone's speech pertinently or completely.

[Mr. Gauthier (Roberval).]

As far as I am concerned, this is a very good idea. The hon. member is trying to bring some benefit to the lower income group. However, that group will not be helped a great deal by this $300 difference because very few of them own houses. Their rents are usually looked after by rent policies and restrictions.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, if I may continue with the remarks I was making at five o'clock when private members' hour was called on Bill C-19, I was talking about the people who would be affected by clause 15 of the bill.

Another segment of the economy that will be affected by the removal of this subsidy, with its subsequent effect on these terminals, is Canadian farming. The farmers of Ontario would suffer a cut in their supply of feed grains. At the present time farmers are dependent on these terminals for the distribution of a majority of their feed grains. When the terminals close the farmers will have to find alternative sources of feed grains. These alternate sources will most probably be at a higher rate.

The Quebec farmer who is dependent of feed grain storage in Seaway terminals will also suffer. The terminals further on down the Seaway near Montreal and Quebec will not waste any of their storage capacity on feed grains. Instead they will concentrate only on export grain. The higher price on the rail movement of grain will dictate that these terminals accumulate as much export grain moved by water as possible. There will be no room for feed grains.

The western farmer will lose the markets that are supplied with grains from the eastern ports. This will result because of the possible price differential grain buyers will have to pay in

the winter months when the grain arrives at these ports by rail. Buyers will soon go to other suppliers who can guarantee the same price for grain all year round. The Great Lakes shipping fleet would also be affected when the terminals are forced to close. These ships are responsible for the movement of grain from Thunder Bay to the inland terminals and eastern ports. With the removal of the subsidy they would have to change their traffic patterns, with detrimental results to all concerned.

Presently, because the lower Seaway closes much sooner than the upper lakes in the fall, these grain ships are able to make additional trips to the inland terminals. After these additional trips are made, and in most cases the terminals are filled, the ships then make one final trip. On their return they tie up beside these inland terminals so they can be unloaded later on during the winter months. In the spring the ships docked at these terminals also get an earlier start and are able to make additional runs on the lakes while they are waiting for the lower Seaway to thaw.

With the removal of the subsidy there would be a marked change in the pattern. First of all there would be more movement of grain out of Thunder Bay directly to the eastern export points during the regular navigational season. Again the higher rail rates would dictate that as much grain as possible be moved by water. In the fall the ships will prefer to haul through to the St. Lawrence ports. If they are down through the St. Lawrence they most likely will not have enough time to get back up to the lakehead to load and then winter at the inland terminals.

There will no longer be the rail movement or the docking at these inland terminals, with the end result that there will be decreased activity in the winter. With this decreased activity will come the eventual forced closure of these terminals.

In conclusion, Mr. Speaker, I hold the same view as most of my fellow members. The repeal of section 272 should be held off at least one year until the minister can put together his new transportation policy, especially since his predecessor aptly described the existing policy as a mess. Dramatic changes in this one aspect of our national transportation system should not be made without any reference to how this will affect other parts of the economy.

Let me also say that if the government should decide it is desirable to remove the subsidy, it should be removed in such a way that the economy that is dependent upon it can adjust. Also before this political decision is made, we must be sure that all studies on the economic impact of this decision are completed and understood. Finally, should section 272 of the Railway Act be repealed as planned, and no compensating measures undertaken, the economies of the areas affected will be adversely and seriously affected. Mr. Speaker, in my opinion this bill should not pass this House until clause 15 of the bill has been removed.

● (2010)

Miss Coline Campbell (South Western Nova): Mr. Speaker, I listened with interest to the hon. member for Huron-Middlesex (Mr. McKinley) as he discussed the milling industry. Coming from the east coast, I too am interested in this. However, I am waiting to hear what the Minister responsible for the Canadian Wheat Board (Mr. Lang), who will be taking part in this debate later, will be saying in the House on the discussions that have taken place in the milling industry, particularly as they relate to the east coast.

My task tonight is to speak on the clauses of Bill C-19 relating to the Department of National Health and Welfare. The government has made known its intention not to escalate in 1976 the rates payable under the Family Allowances Act of 1973. The provisions for this step are encompassed in Bill C-19, and it is in respect of those provisions that I wish to speak today. Before I say anything about the actual provisions, I should like to make a few introductory comments.

No government likes to announce that a program to which it is deeply committed, and in whose worth it strongly believes, will be subject to restraint. Thus these remarks are made with mixed feelings. However, we have recognized, virtually all of us, the need for restraint and for a reduction in the rate of growth of government expenditures. We have all recognized also that all sectors of government activity have to feel the impact of this restraint. Since social programs comprise the largest single portion of government expenditures, it follows that they must bear a share of expenditure reductions.

My investigation demonstrated that the Department of National Health and Welfare had a number of possibilities for restraining the growth of government spending. Measures to restrict the growth of federal government expenditures in respect of the Medical Care and Hospital Insurance and Diagnostic Services Acts had already been put in effect, and no further restrictions in those areas seemed to the government to be immediately desirable.

On the welfare side of the minister's department, and leaving aside the contributory Canada Pension Plan, the largest programs are family allowances, old age security, the guaranteed income supplement for OAS recipients, and social assistance and services expenditures under the Canada Assistance Plan. It was on these programs in particular that the government's attention was focused.

I am told that a reduction or the non-escalation of old age security or guaranteed income supplement programs was not an acceptable alternative. It has been a major part of the social program of this government over the last several years to ensure that benefits payable under income maintenance programs for the elderly reached fully sufficient levels as quickly as possible. To pull back now from the gains that have been made seems to the government to be unacceptable. Either reducing, or not escalating old age security and the guaranteed income supplement would reduce the impact of what has been achieved by the minister and the government. Even given a diminishing rate of inflation, this would doom some of our senior citizens to fall back into grave economic difficulty.

I am told that a somewhat similar argument prevailed with respect to major shared cost welfare expenditures under the Canada Assistance Plan. Under that legislation provincial expenditures on social assistance and services are shared,

provided the expenditures are incurred on behalf of those in financial need or likely to become in need.

The exact definition of need varies from province to province, but in all cases the federal dollars under the Canada Assistance Program go almost entirely to those with very low incomes. To impose heavy federal restrictions upon these expenditures seemed most inappropriate to the government, and to do so would strike hardest at those least able to protect themselves in difficult economic times.

There were also other reasons for eschewing a major attempt to reduce costs under the CAP. As hon. members are well aware, we are currently nearing the conclusion of a major federal-provincial review of all our shared cost welfare expenditures, a review which it is hoped will result in a major reform and streamlining of the welfare system. Consequently the government thought that this was not the time for unilateral federal action in that field. Of course disbursements to the provinces under CAP are made pursuant to signed agreements between federal and provincial governments which cannot be changed unilaterally without one year's notice. In effect the federal government cannot act quickly without provincial consent.

I think the House will realize that among major welfare programs the federal government would have to consider cost reduction in respect of family allowances. Even here I am told the government moved with great reluctance. The 1975 family allowance level of $22.08 per child is not lavish, but it does provide a substantial measure of income support to Canadian families. Thus for most Canadians with children, the monthly family allowance cheque is an important supplement to family income. The government proposed the non-escalation of family allowances only on the grounds of the very urgent necessity to reduce the rate of increase in government expenditures and on the grounds that among the possibilities for restraint in our major welfare programs the non-escalation of family allowances would cause the least amount of difficulty to Canadians.

The minister has received representations from women's organizations about this decision and, quite correctly, they point out that the family allowance is for many women their only disposable income and the only income over which they can exercise control. The government does recognize this situation in the Speech from the Throne. But it must be reiterated that the decision was made on the basis of effecting a cost saving with the minimum possible detriment to the fewest people.

I should add that those who have been hardest hit by these changes are not left unprotected. Those who can demonstrate financial need will be in receipt of cost shared social assistance payments which do in general rise with the cost of living and which will fill the gap left by the family allowance non-escalation. Those working at minimum wages will, in most provinces, be receiving higher minima this year than last. Those who must utilize unemployment insurance to compensate for temporary loss of employment receive payments based on their wages while they were working. In general those wages are higher this year than last. Moreover, the escalation of exemptions from income tax means that all wage and salary earners in the low and middle income ranges will pay less tax this year than last.

I should add that the reduction of inflation from approximately 11 per cent one year ago to 6.5 per cent in September should clearly have an ameliorating effect on family situations.

I am told that the savings which will be effected, should the House approve these amendments, will be considerable. The statutory payments under the Family Allowance Act in 1975 were almost exactly $2 billion. The non-escalation of payments in 1976 will result in savings of $221 million and will leave expenditures in 1976 at very close to the same levels as those in 1975. In addition, of course, the $221 million annual saving will accrue to the federal treasury in perpetuity since the base for any future adjustment of payments will be the 1975 base year.

The amendments to the Family Allowances Act of 1973 which are laid before hon. members in Bill C-19 are intended to give effect to this non-escalation. There is no need to discuss them in any detail on second reading here today, but I will call hon. members' attention to two features of the amendments. The first is that they are made retroactive to January 1, 1976. In this case the retroactivity provisions are intended to avoid causing additional hardship for Canadians because we have continued since the end of 1975 to pay the 1975 rate of $22.08 per child in order to avoid the problem of overpayments.

● (2020)

The second point to which I wish to draw the attention of the members is that the federal family allowance legislation permits provinces to adopt a different configuration of payments than the federal uniform rate should they desire to do so. Such variations, by age of child, size of family, or both, are permissible provided that the total payments in a province with such a configuration are not substantially more or less than what would have been paid if the federal rate were to apply.

Thus, in addition to giving effect to the Government of Canada's intention to maintain the 1975 family allowance rates through 1976, the amendments which are now placed before the House are intended to permit provincial governments, utilizing their own configurations of family allowance payments, to make the appropriate changes in their own provincial legislation and regulations. The provinces of Alberta and Quebec are the two directly involved. The government of Alberta has agreed to pay the same allowances in 1976 as in 1975 and will adjust its legislation accordingly. The province of Quebec is paying an escalated rate in 1976 but is doing so subject to the clear understanding that the federal government will compensate it only to the level which would have applied had the 1975 rates prevailed. Thus it will be up to that province to make up the difference out of its own treasury.

I would remind hon. members that family allowances were tripled by this government as recently as 1973, rising from approximately $7 previously to $21 by January, 1974, because the government recognized the additional cost to the family of raising children and recognized the important role of the

family in the fabric of our society. By means of supplementary legislation these increased benefits for 1974 and subsequent years were escalated to reflect the increase in the cost of living. I would point out that never before were these pensions indexed.

It was a difficult decision for the government to make but in the interests of fiscal restraint, in the social security field as in others, the government opted in 1976 to remove temporarily the escalation factor from family allowances since it was felt that those families in need would have recourse to other social assistance measures. I must underline the word "temporary", however. The legislation before us now refers only to 1976. The Speech from the Throne and the Minister of National Health and Welfare (Mr. Lalonde) have stated, and I reiterate today, family allowances will again be escalated by indexing starting in January, 1977.

In conclusion, Mr. Speaker, the government proposed these amendments to the Family Allowances Act of 1973 in recognition of the important necessity for restraint—restraint which all Canadians must share. The government believed that this was among the most appropriate and least disruptive means to introduce some restrictions on the growth of social programs.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Vegreville (Mr. Mazankowski).

Mr. Marshall: On a point of order, Mr. Speaker, I should like to ask the hon. member if she can assure the House that what is related—

Mr. Deputy Speaker: Order, please. If the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) wishes to ask a question he can only do so with the consent of the hon. member for South Western Nova (Miss Campbell). Otherwise he will have to wait until he makes his own speech.

An hon. Member: No.

Mr. Woolliams: You cannot say no; she can.

Mr. Deputy Speaker: Order, please. It is the decision of the hon. member for South Western Nova whether she wishes to answer a question.

Miss Campbell (South Western Nova): Certainly, Mr. Speaker. I am sure the hon. member will respect the fact that if I cannot find the answer right away I will get it for him if he places his question on the order paper.

Mr. Marshall: Mr. Speaker, the Speech from the Throne indicated the freeze on family allowances would be lifted. I wonder if the hon. member can say that the freeze on the family allowance, which is presently at $22.08, will be removed and that in the New Year the government will bring in indexing of the family allowances again?

Miss Campbell (South Western Nova): Mr. Speaker, I stated that in one of my last comments. I was quoting from the Speech from the Throne, that as of January, 1977, there would again be escalation based on the cost of living index that family allowances would be increased using 1975 as the base year.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, you have listened to a lot of speeches on this bill and I suspect you will hear a lot more before the debate ends. It is a very complex bill, an omnibus piece of legislation involving a number of proposals. It deals with adult occupational training, family allowances, the Company of Young Canadians, Information Canada, the Industrial Research and Development Incentives Act, the Western Grain Stabilization Act, and the Railway Act—some good and some bad. This makes it very difficult for an opposition party to consider its decision in regard to voting on second reading. Indeed a second reading vote is a bit of a farce and our party is looking for ways and means by which to move a reasoned amendment to highlight these repugnant provisions. We feel the legislation is nothing more than gimmickry, a public relations job.

This is not a genuine government restraint bill, Mr. Speaker. In the areas where it proposes to exercise restraint the result will probably be much more costly in terms of the human and financial resources of the country.

I was amused by the comments of the President of the Treasury Board (Mr. Andras) when he introduced the bill last Friday saying it was very significant and important legislation, an important measure in the area of government restraint. The fact is that this bill was introduced last March. If it is so important and significant surely it could have been disposed of in one form or another before the House adjourned for the summer. Of course the government was occupied with the peace and security legislation and issues of that nature. It cannot be terribly important because the gun bill will never see the light of day, thanks to members on this side of the House and to a lot of sensible Canadians who made some very reasoned representations to an unreasonable minister.

Mr. Goodale: The public was distinct and different from the opposition.

Mr. Mazankowski: It was not the opposition who moved closure to curtail debate on the gun legislation so I do not know where the hon. member was when we were dealing with that legislation.

Mr. Woolliams: The mortality rate in Assiniboia is very high.

Mr. Mazankowski: This legislation represents deferrals of expenditures rather than cancellation of expenditures. Let us look at the grain stabilization fund.

Mr. Goodale: Hear, hear!

Mr. Mazankowski: The hon member is thumping his desk. I wonder if he will provide the same luxury of deferral to farmers who are being asked to pay into the fund.

• (2030)

Mr. Goodale: Read my speech of last Friday.

Mr. Mazankowski: Is the young hon. member opposite, the understudy of the minister in charge of the Wheat Board, telling the House that farmers who are finding it difficult to meet commitments and obligations will be given the same privilege as is extended to the government?

Mr. Goodale: Read my speech of last Friday.

Mr. Woolliams: There speaks the $700,000 Lang boy.

Mr. Goodale: I have attended more than 50 meetings across the Prairies, talking to farmers about the grain stabilization plan.

Mr. Mazankowski: The hon. member will probably have to attend another 50 if he wants to get his point across.

Mr. Goodale: Does the hon. member not talk to farmers about the grain stabilization plan? How many meetings have you attended?

Mr. Mazankowski: I meet farmers practically every weekend, but it does not cost me $740,000 to go to my constituency.

How can the people of Canada place their trust and confidence in a minister who blows that kind of money and, at the same time, talks of restraint from the other side of his mouth? It is simply foolish.

Mr. Goodale: One cannot talk to farmers in Ottawa.

Mr. Mazankowski: It is well known that the young hon. member opposite spends more time talking to a handful of Liberals than he does talking to farmers.

Mr. Goodale: That is absolute nonsense. I'll wager I talk to more farmers than you do.

Mr. Mazankowski: I probably talked to more farmers on Friday night than the minister has talked to in all of the years he has been in Ottawa.

Mr. Goodale: Nonsense.

Mr. Woolliams: Apparently the only word the hon. member knows is nonsense.

Mr. Mazankowski: I suggest that the hon. member and the fellow he is trying to emulate must pull up their trousers if they are to sell their programs and instil confidence and trust in the minds of the Canadian people.

Mr. Andras: Why not substitute the word "socks"?

Mr. Mazankowski: If the parliamentary secretary wants to defend the indefensible, that is his privilege. Obviously he and the person he wants to emulate are insensitive about the huge quantities of taxpayers' money being spent to spread Liberal propaganda among the people of Saskatchewan.

Mr. Hnatyshyn: And it is not going over.

[Mr. Goodale.]

Mr. Mazankowski: And it is not going over. Really, this piece of legislation will merely shift spending from one area to another and can therefore be classified as cosmetic. Finally, it represents a withdrawal of government support from certain programs, which I find indefensible. We ought to reconsider those parts dealing with research and development, especially as we have run up a deficit of $8.2 billion in the field of high technology products. Mr. Speaker, research and development are important if we are to improve our technology and productivity, and cutbacks in this field are ludicrous. Improved technology can improve our trade balance, increased productivity can improve our competitive position in trade. Therefore cutback decisions should be reconsidered.

The special training programs fulfil an important need and are one means of providing jobs and filling vacancies in specialized fields. For example in Alberta there is a serious shortage of skilled tradespeople such as plumbers, electricians, and accountants. I suggest that overly generous UIC benefits and cutbacks in training will lead to vacancies in these fields not being filled. It is interesting to note that the last Statistics Canada report indicated that already $2.4 billion has been paid out in unemployment insurance benefits.

Mr. MacKay: But can you believe it?

Mr. Mazankowski: As I said, this legislation is unsatisfactory. Where the cutbacks are real, such as in the "at and east" rates, the impact will be so detrimental as to create consequential obligations for the government which will far exceed amounts saved. To me, the legislation is an exercise to disguise the government's own extravagant habits and refusal to come to grips with real issues.

I am appalled at the way in which the government can play games with figures when it wants to sell a particular philosophy or policy. The government's instincts for manipulating for political gain never cease to amaze me. You know, there is lots of room for the government to tidy and tighten its own operations. I refer specifically to the way in which the government, its agencies and departments control their internal financing. I do not suppose improvements in this area would attract too much attention in the press; nevertheless, restoring proper financial and parliamentary control is one of the gut issues we face.

The financial control and the management systems of the Government of Canada, its agencies and departments are significantly below acceptable standards of quality and effectiveness. Bear in mind that within the Government of Canada, its agencies and departments there is inadequate protection against fraud. Testifying before the Public Accounts Committee, the Auditor General said there is inadequate protection against fraud and we have inadequate mechanisms for determining the extent to which fraud occurs.

A reading of the testimony taken before the Public Accounts Committee reveals that in some departments one can obtain signed blank cheques. One member of the Auditor General's staff who worked on the investigation alluded to the fact that on the very first day of his investigation of the cheque-issuing

branch of one department he found signed but unfilled cheques. The department in question issues some two million cheques per month. Also, unless fundamental changes are made, the day may soon come when the Auditor General will not be able to vouch by certificate for the accounts of Canada. If this happened to a corporation whose shares are traded on the stock market, the value of its stock would soon sink to nothing. Or if a small businessman running his business that way were to go to his banker for credit, the banker would tell him to clean up his operation. Unless he could revise the operation, such a businessman could not even get inside the front door of a bank.

I do not know how long the government expects the Canadian people to swallow the blatant inadequacies and devious techniques brought forth before the Public Accounts Committee. In the first volume of the Public Accounts of Canada one sees evidence that the Government of Canada has over-stated its financial position by some $7 million. I see the President of the Treasury Board smiling. Perhaps he thinks it is a joke, a play on words. But the government does not follow consistent and standard accounting practices acceptable to the accounting profession across this country.

The minister knows of my respect for the Auditor General. I think he is bringing some of the inadequacies to light and warning the Canadian people that all is not well with the financial control and management exercised by the government. When can we expect the government to deal frankly with Canadians and adopt an accounting and book-keeping system consistent with generally accepted accounting practices?

● (2040)

When can we expect the government to report on the progress made in carrying out recommendations made by the Auditor General, some 34 in number? I understand the government has agreed to accept 32 of them, but to date there has been no indication of the progress made in this direction. What has happened to these recommendations, recommendations which were endorsed by the Public Accounts Committee? What has happened, for instance, to the recommendation requesting the appointment of a chief financial officer who would oversee the budgeting operations and financial management of all government agencies? I support this concept because under the present system internal management has clearly been lacking. The structure which exists within the Treasury Board and the policing departments of government militates against effective corrective action.

The Treasury Board has not given control measures sufficient emphasis. The estimates and the public accounts, which are the foundation of the control system, have failed to set up adequate standards of accountability. Moreover, under the current system members of parliament are given insufficient information upon which to establish accountability. One could describe this administration as one which is incompetent and which has failed to act as a capable and worthy trustee of public funds. It has lost the will to govern and it has lost the confidence to manage.

Mrs. Holt: Those are all meaningless clichés.

Mr. Mazankowski: You see, Mr. Speaker, that is the kind of flak we get from over there. They do not care about public money. But we care. We are all trustees of public funds—all hon. members. Government needs a watchdog but we have seen our role whittled down by the manipulations of this government.

The President of the Treasury Board is a businessman. I am sure that in his days in the business world he took care, as one of the prime requisites of his operation, to exercise careful internal management control. I am sure he would want to act in the same way in his present portfolio, but I should like to know what he has been doing since he assumed that elevated position. He is in charge of the cash register and I should like to know how much progress has been made in carrying out the recommendations of the Auditor General. What advice is he giving to his colleagues in this regard? The essence of parliamentary democracy is control of the purse strings. We all know that successive Liberal administrations have not had a good record in this field.

I want to quote from the proceedings of the Standing Committee on Public Accounts as reported at various dates. This is what Mr. Harris of the Auditor General's Office said, as recorded at page 66 of Issue 45.

> Virtually all the observations and recommendations in our report were provided for, to a greater or lesser extent, by the Glassco Commission in 1962. Our recommendations are consistent with Glassco; they vary only in emphasis and degree of detail. The evidence indicates that those responsible chose not to emphasize or implement most of the control-oriented recommendations.

In Issue 47, page 10, we read:

> In an environment where the government is not held accountable to parliament, it is less likely that subordinate managers will be held accountable to their seniors. If significant improvements are not made . . . in our view little progress will be made in improving financial planning and control within departments and agencies.

In Issue 48 at page 17 the Auditor General is recorded as saying:

> It would appear that the statutory provision which is available to Treasury Board is now too little used to guard against departments covering up operating inefficiencies by using funds for purposes different from those originally intended.

Here is another quotation from Issue 50, page 13. Mr. Lafferty is speaking.

> It is also our view that until departments introduce effective systems of budgetary control there is no basis for determining whether or not funds are being spent for the purposes, in terms of activities, for which they were provided.

These are stinging indictments of government administration, a stinging indictment of the way in which taxpayers' money has been wasted and pilfered. In a speech during the debate on the address the minister spoke boldly of what he intended to do. He said he would be brutal in taking action with regard to wasteful spending practices. He would tighten up on the taxi slips. Well, that is a step in the right direction. It is about time someone took on this responsibility. But what

is required are basic changes and a fundamental shift in emphasis.

Most important of all is the restoration of parliamentary control. In this connection there must be changes in the form and content of the estimates—another of the recommendations which has been advanced by the Auditor General. What is the Treasury Board doing in this respect? I understand that a study group was established to look into ways and means of modifying the estimates so that they could be more readily understood. Have these changes been agreed upon? Will they be incorporated in the estimates for the next fiscal year? What input, if any, will members of parliament be making? Or will the review be undertaken solely by the bureaucrats?

The minister insists that growth of the public service will be limited to 1.5 per cent this year and one per cent in the next fiscal year. Again this is something of a distortion. It amounts to playing with figures. The use of authorized man hours as an indication of public service growth is misleading because a large gap exists between the man hours authorized and the actual man hours used. For example in 1975-76 the authorized number of man years for public servants under Treasury Board control was set at 319,000, versus 308,000 for 1974. In the same year actual permanent staff reached about 276,000, versus 260,000 a year earlier. The gap was thus reduced from 15 per cent to 13 per cent. The government claimed, and truthfully, that the growth in authorized man years had been kept below 3.5 per cent, but the actual rate of growth of permanent public servants on staff was double that, about 6.1 per cent.

● (2050)

Projecting this previous 2 per cent drop in the gap between authorized man years and actual man years to 1976-77, the real rate of growth of the public service this year could be 3.6 per cent and not 1.5 per cent, as the government would have us believe. It is certainly fair to assume that this reduction in the gap will take place because the government is making full use of the two ways by which it can be brought about.

In addition, there will be more part time employees used and more consultant and contract workers. The other fact is that Treasury Board has been transferring authorized man years from the department to which they were assigned to a department that has developed a shortage because of over-hiring. I suggest that this playing with figures is very misleading and inaccurate and should not be allowed to take place.

On the administrative side we have a similar experience, and I suspect that it is not being changed as a result of the so-called restraint program. In the last four years some 33,000 new administrative positions have been created, an increase of some 31 per cent. For the 1976-77 fiscal year there are another 3,447 additional positions that have been created. These are the kinds of oddities that occur and which we find very difficult to swallow on closer examination.

Speaking of oddities and peculiarities, I want to discuss another matter, Mr. Speaker, which becomes somewhat bewildering as I study the current estimates. It has to do with some departments which overspent rather dramatically, in the section dealing with purchase, repair and upkeep budgets in the 1975-76 estimates, by an amount anywhere from 300 per cent to 400 per cent greater than the amount in the original estimates. The 300 per cent increase over estimates and the 450 per cent increase over the previous year paled into insignificance beside some of the actual increases in departmental budgets.

For instance, the administration branch of the Department of Manpower and Immigration budgeted $36,000 for the item having to do with purchase, repair and upkeep budgets in 1975-76. The actual expenditure was $4,236,000, an increase of some $4,200,000. This was covered in supplementary estimates A, but what is most noteworthy is that the 1976-77 main estimates forecast a drop to $50,000.

Similarly, Mr. Speaker, the forecast expenditure of $2,024,000 for the administration branch of the Department of National Health and Welfare in the 1975-76 main estimates called for an expenditure of only $23,000. The 1976-77 main estimates forecast a decline to $1,235,000. Each of these bears critical examination.

The taxation branch of the Department of National Revenue had forecast expenditures of $6,249,000, against a main estimate of $1,874,000. Again the overrun is covered in the supplementary estimates, but the forecast expenditure for 1976-77 is down to $1,544,000. The administration branch of the Secretary of State Department had forecast expenditures of $4,719,000 against the main estimates figure of $19,000. That is a difference of $1,700,000 between the amount that was spent and the amount originally forecast. Again this deficiency was covered in the supplementary estimates, but the main estimates for 1976-77 forecast a decline to $331,000, lower but still significantly higher than the estimated figure of $19,000 in the 1975-76 estimates.

The administrative branch of the Department of Supply and Services will spend $1,425,000 against 1975-76 main estimates of $21,000. Again this is covered in supplementary estimates A, but the main estimates for 1976-77 show a reduction to $491,000. The same thing applies to the Department of Transport, which shows a forecast expenditure of $1,858,000 against the main estimates of $112,000 for 1975-76. Some $1,496,000 of this is covered by supplementary estimates, but the 1976-77 estimates show a decline to $1,184,000. The ministry account of urban affairs shows expenditures of $1,085,000, against the main estimate figure of $85,000. Again this is covered in supplementary estimates A, but the forecast for 1976-77 is $130,000.

All these figures indicate, Mr. Speaker, huge spending over-runs under the object, and reduced spending forecasts under the object for 1976-77. What creates special significance in regard to all these figures is the fact that visibly they represent one-time expenditures. Practically none of the departments involved plan to spend anything like the forecast expenditures for 1975-76 in the current fiscal year 1976-77. Indeed the total main estimates for 1976-77 at $14,242,000 for

these departments is less than half the expenditures for 1975-76.

I do not know whether we can suggest, Mr. Speaker, that great breakdowns occurred in all these departments, that there was an enormous amount of repairing and servicing required or that these departments tried to use funds through this particular area for use in some other category. We must ask these questions, Mr. Speaker. What buildings or what type of equipment were being repaired? What was the nature of the breakdown? Why was the repair and upkeep not foreseen in the previous year's expenditures? What steps have been taken to improve the departments' ability to forecast such huge expenditures, expenditures that bear no relationship whatever to the original estimate?

Quite frankly, Mr. Speaker, there are so many ramifications here and possibilities for incompetence that the whole question bears close scrutiny and requires some answers. I hope that the President of the Treasury Board will take a close look at the question and provide the House with those answers. Certainly I intend to follow it up in further questions on the order paper. It is surely an area that bears consideration and I would be prepared to provide the minister with more details if he is inclined to look into the background of these very peculiar figures as they relate to the differential between forecast expenditures and actual expenditures.

I now turn, Mr. Speaker, to a section of the bill which perhaps is the most contentious, the repeal of section 272 of the Railway Act, more commonly known as the "at and east" rates. In 1961 there were four principal reasons for implementing the legislation on the "at and east" subsidy. Number one, to encourage the continued use of eastern ports. Number two, to help keep Canadian flour companies competitive in world markets. Number three, to promote and assist the development and expansion of Canada's grain industry. Number four, to benefit the Canadian economy by providing mill transportation and port employment as well as helping Canada's balance of trade position in manufactured goods.

Those four reasons were valid in 1961 and I submit to you, Mr. Speaker, that they are valid today. Certainly there can be no reason why this particular section of the Railway Act should be repealed at this particular time. I am interested to know that both the President of the Treasury Board and the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) alluded to the fact that we could be expecting the Minister of Transport to participate in this debate and to outline some new measures that may be implemented as a replacement for this particular provision. If that is so, that should be laid before this House at the earliest opportunity in order that we can not only debate clause 15 to repeal section 272, but also consider the proposed action which the minister is advancing.

● (2100)

I do not know why the minister has chosen not to participate in the debate at this time. I invite him to do so at the earliest possible date so that we can have a look at his proposal. If his alternative approach is satisfactory, we might curtail or at least shorten the debate to some extent to allow the House to get on to other business.

Mr. Goodale: It never stopped you before.

Mr. Mazankowski: We caught the government a little short-handed last Thursday night when we had to wait two hours for them to muster enough people for a vote.

Some hon. Members: Hear, hear!

Mr. Mazankowski: When there is legislation we can deal with and support, we are only too willing to provide speedy passage. However, in situations like this where there are so many repugnant provisions, it is our duty and indeed our obligation to look very closely at these measures and challenge the government on some of its actions.

The Minister of Transport has been adamant in his policy of user pay. After the visit of the Prime Minister (Mr. Trudeau) to Atlantic Canada where he received a hostile reception I would have thought the user-pay concept would not be all that acceptable and that the position might have been modified somewhat.

That would not be the first time the government changed its position on any given policy. We have seen 180° shifts before. In fact it is becoming rather common with that group. I would not have been surprised to see a modification here.

Mr. Hnatyshyn: They always change things for the worse, never for the better.

Mr. Mazankowski: They always fly by the seat of their pants. It is interesting to look at the reactions and some of the answers we have been getting. A number of hon. members have pursued this particular issue, including the hon. member for Halifax-East Hants (Mr. McCleave), the hon. member for Carleton-Charlotte (Mr. McCain), the hon. member for Dartmouth-Halifax East (Mr. Forrestall), and the hon. member for Middlesex-Huron (Mr. McKinley). We all raised this matter on different occasions and received some very weird and wonderful answers. For example, the then parliamentary secretary to the minister of national health and welfare stated at page 12040 of *Hansard:*

> The minister had none the less carefully considered representations made to him by the Canadian National Millers' Association but does not feel that a case has been made for the continuation of the subsidy.

We know that in a letter the Minister of Transport stated that this particular provision is a waste of money. The Minister of Agriculture (Mr. Whelan) stated that studies were under way and that he had been in touch with the President of the Treasury Board to discuss the matter in detail. The Minister of Industry, Trade and Commerce said that he was studying the matter and having discussions with the other minister. On it goes.

If there have been studies and if the government has analyzed and properly reviewed the impact of removing the "at and east" freight subsidy, these studies should be tabled in

order that we can have a look at them. After completing the studies, the government is determined that the withdrawal of the "at and east" rates will not cause any significant harm. A number of representations have been made to me and, I am sure, to other hon. members. The Goderich Elevator Company stated, and I quote:

Certain of our elevators will undoubtedly close their doors for good. There will be a resultant loss of employment, but additionally valuable storage space required at times of surplus grain stocks will no longer be available.

I see, Mr. Speaker, you are going to indicate that my time has expired.

Some hon. Members: Carry on.

Mr. Mazankowski: I simply wanted to urge the President of the Treasury Board, who I know is a reasonable person, to reconsider clause 15. If there is sufficient evidence to indicate that the repeal of section 272 will not be detrimental to the industries affected, the flour and milling industry, the grain industry and the ports, I invite him to table that information. I assure the minister that if this provision is not deleted from this bill, there will be a long tough fight both in the House and in committee. Therefore I hope that the government will yield and come forward with its alternative quickly so that we can debate this measure with intelligence, having the full knowledge available to the government and knowing what the government proposes to do.

In conclusion, I thank hon. members for their attention. I am sorry the hon. member for Assiniboia got me off the track.

Mr. Goodale: I derailed your train of thought.

Mr. Mazankowski: Yes, Mr. Speaker, he derailed my train of thought and I was not able to complete my comments.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I join in this debate, which began earlier this year and has been continuing today. Other members have dealt with some aspects with regard to the removal of section 272 of the Railway Act which deals with "at and east" rates.

My comments will be brief and as pointed as I can make them. I have not had an opportunity to review this matter. The way in which the government House leader has treated this parliament with regard to the intentions of the government as far as legislation is concerned leaves an awful lot to be desired.

It is important that the people of Canada understand that this debate is just beginning. We have not heard anything since the government's retraction late last spring or early summer. At the time the government first brought in this legislation about a year ago, it made it clear this legislation would effect savings. On the other hand it is rather disconcerting for those who will be affected by the elimination of section 272 to have this treacherous piece of legislation thrust upon them without warning. The government is simply using it to fill in its legislative program.

The points I want to deal with, seven or eight in number, have in part been dealt with today, last Friday, and in questions asked in the last session of parliament. Since the first announcement, nothing has happened in government planning to change the opinion of those most directly affected. That opinion simply stated is that there is no need to try to effect reductions of costs to the taxpayers of Canada in this particular area. The government has admitted it is not a question of there not being any studies. Rather it is a question of the government's failure to talk about the studies.

● (2110)

I am no longer bashful or shy about documents of the Government of Canada coming into my hands. I could not care less whether the government considers them to be top secret or only partially classified. I do not care what the government thinks about them. They are of interest to the people of Canada, and my six or seven points will deal with some of the matters contained in a public document which should have been released to the Canadian public in May last year.

I hear an interjection from the hon. member for Hamilton Mountain (Mr. MacFarlane). Does the hon. member for Hamilton Mountain want to talk about the welfare of the 400 or 500 men on the waterfront at Halifax or Saint John who are involved in the milling industry? Can he tell us how to find them jobs? Will the hon. member put the money in the millers' pockets? The hon. member never says anything. He just sits there, and makes little jibes across the floor without any background or any concern for anyone in western Canada. He has been so long away that the temperature of this place has cooled down. He has been so long away from the Atlantic provinces that he has lost concern for anyone outside of central Canada.

Mr. MacFarlane: Mr. Speaker, I should like to remind the hon. member that I have always stood and spoken very strongly for the maritimes and have a great interest in the west. I can certainly speak for the big man and big is beautiful.

Mr. Deputy Speaker: The hon. member can say that in his own speech.

Mr. Forrestall: I do not know what in God's name that has to do with unemployment on the Halifax waterfront. What we are talking about is the restoration of a little confidence on the part of the Canadian people in the central federal government. Hon. members opposite would do away with meaningful programs which have been helpful and useful, and which were not implemented on casual hearsay.

Let me ask the hon. member for Hamilton Mountain what is the point in taking away something from one section of the country and giving it to another? What happens to the people? Is he not concerned about people? He is concerned about grandiose undertakings by a decaying government which has no ideas or concepts. He is concerned about giving legislative approval to casual comments made by the Minister of Finance (Mr. Macdonald) a year ago. The people are not satisfied. They are right. The Prime Minister (Mr. Trudeau) said that. Do you want to know, Mr. Speaker, why they are not satisfied? They are not satisfied because dollars and cents and jobs

are being taken away from one sector when they will have to be given to another sector, and no purpose will be served. Business will be lost. If hon. members opposite do not want the business they should stand up and say so.

Members opposite must know the alternatives if they read their own studies. I hope they are made available to the supporters of the government. We are not entitled to them, but I do admit that once in a while the alternatives are spelled out. The advisers to the government very strongly suggest that the industry is not in a fair competitive position because of the subsidies given by other governments to their industries.

The hon. member for Crowfoot (Mr. Horner) and the hon. member for Halifax-East Hants (Mr. McCleave) have said that the repeal of section 272 of the Railway Act will mean a cost to the economy of millions and millions of dollars. The subsidy on flour costs only $3 million or $4 million a year now. Why change it; why be divisive?

An hon. Member: Question.

Mr. Forrestall: What question? You people over there do not have any questions. Good God, you have no answers, and that is probably because you have no questions. Talk to the Canadian millers. Once you told them to go to hell. It is the people in the mills, in the grain stores and at the storage sites who are affected from central to eastern Canada. I am speaking of the Atlantic provinces, not necessarily Ontario and Quebec, although this does affect the river ports. As a matter of fact I wonder what Bourassa is saying tonight about that. I wonder how he is apologizing for this situation.

I have a study here which is called a memorandum to cabinet. Why could we not have had this before us last May? Does anyone want to get up and answer that question?

We hear talk about classified and secret documents. We hear the comments from the new minister from Manitoba whom I congratulate very warmly. As a matter of fact perhaps he should have gone to the Department of National Defence. At least he is a man of some character and has some concern for members of the Canadian Armed Forces. On the other hand I doubt very much whether he cares a damn for the workers at the port of Halifax, the port of Saint John or the port of Montreal.

It is rather interesting that this little document indicates to the cabinet that one of the effects of the removal of section 272 of the Railway Act which might be beneficial to the government would be the diversion of flour exports—the Cuban flour—from Saint John and Halifax to the port of Montreal. Like hell—they will get that over our dead bodies. That is not the way to do it. The government was concerned enough to ask for a study. I say to the hon. member for Vegreville (Mr. Mazankowski), who says there are no studies, that there are studies concerning schemes and devious ways of downgrading the port of Halifax. No one over there can tell me that the government did not intend to restore growth to the port of Montreal and to hell with Halifax, Saint John and Newfoundland.

An hon. Member: Otto fly me!

Mr. Forrestall: I have friends in the Canadian merchant marine who would put it another way. Cuba is our largest customer for flour. The hon. member for Crowfoot and others have spoken about that. It also appears in briefs from the Canadian Millers Association. We have heard this from half a dozen sources. We heard it from the hon. member for Huron-Middlesex (Mr. McKinley) not only tonight but on a number of occasions away back in the earlier part of this year. The cabinet has three or four alternatives. They are clear. As a matter of openness and frankness it might be a good service to let the people of Canada know what is in these highly confidential documents so that they can judge what is so secret about them.

Mr. Goyer: What is secret about it? You have a blank paper.

• (2120)

Mr. Forrestall: It is numbered at the bottom. I am not quite as intelligent as you people.

Some hon. Members: Oh, oh!

Mr. Forrestall: Half way up page five it spells out very clearly—

An hon. Member: They are blank pages.

Mr. Forrestall: —it spells out very clearly how this government can shaft the Maritimes, how it can shaft—in that vulgar term—grain growers in Canada and people employed at grain elevators and at milling operations. I suggest to some that they get this cabinet document. It would be improper for me to read from it, I would not do that.

The document is the property of the Government of Canada, as it says here. Who in the hell is the Government of Canada? They are so far removed from the people of Canada that even this is a confidential, secret document. They do everything they can to tell the people of Canada, "We represent you, we love you". But they are so far removed from the grass roots of this country that they will never be restored to government for another 20 years. This document is so unconfidential that it does not even have a document number. Perhaps it did, but it is cut off at the top. The number appears to be 267-75.

An hon. Member: That is crap.

Mr. Forrestall: I suppose that 75 refers to the year. It is a couple of years old. I have not heard anyone discussing these alternatives.

An hon. Member: Accept the challenge.

Mr. Forrestall: To read it?

Mr. Goyer: Yes.

Mr. Forrestall: I will get you a copy. Perhaps everyone in the House would like a copy of it. A Minister of the Crown admits he has not even bothered to read the recommendations.

Mr. Goyer: It is pure invention on your part.

Mr. Forrestall: Shame! I find it hard to believe from such a conscientious, concerned cabinet minister. I will tell you what I will say, and I will say it in one sentence.

Mrs. Holt: You said an awful lot of nothing in many sentences.

Mr. Forrestall: I say in one sentence: Drop your stupidity.

Some hon. Members: Hear, hear!

Mr. Goyer: A diversion.

Mrs. Holt: You have not said one line that is intelligent.

Mr. Forrestall: What is the object of this bill?

Mrs. Holt: You see?

Mr. Forrestall: It is not to lend legislative substance to wild, vague campaign promises of an inept government two years ago. They said, "We will do this; we will say that." Others have talked about the shallow hollowness of this as a proposal to restrain spending. I listened to my dear colleague from the Maritimes and I am sorry she is not in the House. I am referring to the hon. member for South Western Nova (Miss Campbell). She did not get into this subject. What she had to say will be on the front pages of the Halifax *Herald*. It will be there, let no one worry about that.

Mr. Goyer: Where is your document?

An hon. Member: Liberal front page, page 52.

Mr. Forrestall: There will be losses of $15 and $20 a ton in terms of man hours. If hon. members are concerned, let me tell them that it will cost us in the ports of Halifax and Saint John upward of 600 man years. I do not know what that means to a lot of other members, but in regions such as the Atlantic provinces where unemployment is higher than elsewhere in Canada, where it runs up to 20 per cent and 30 per cent, there is no alternative employment for men who have spent their lives on the waterfront. I can only conclude that hon. members opposite have no concern in this regard. If that is the case, then surely this entire Bill C-19—which used to be Bill C-87—is nothing but a farce, nothing but a hollow treatment of promises given and resurrected, long since ignored and forgotten by a country which no longer trusts the federal government. That is the great cost and the great sadness.

May I refer now to Bill C-61, the Maritime Code. I supported that bill very strongly—members on the government side of the House will recognize that. I continue to support it because I believe in it and I think it is in the best interests of this country. It has been rejected, and you know why? Because the people of Canada have lost faith in the federal government. They do not trust it, and that is the tragedy. Taking a subsidy away from the railways and giving it to the millers will not save the Canadians anything. If they do not want the flour business, let them stand up and say so, and let them listen to what Canadians have to say in reply. Just maybe if they listen, Canadians might be willing to pay the price and to encourage the government to continue its efforts to get other governments to stop subsidizing milling operations. The fact of the matter is that other governments do it in a heavy way.

The flour we are sending to Cuba is paid for by the Russian government and subsidized by the people of Russia. Others have spoken in this Chamber about our declining share of the world milling market. Is that the direction in which we want to go? If it is the direction in which we are deliberately going, I suggest we have no reason to question why the people of Canada have lost faith, confidence, and trust in the federal institution. There is no trust, there are no savings, and yet this is being done under the guise of a bill that will effect spending restraint. That is not what this government is for. There is always a danger of getting so far in front of the people that you lose sight of them. The government is not doing anything in respect of this.

I have a telegram here which is too important not to read into the record. It is a telegram to the Minister of Transport (Mr. Lang) from the Halifax-Dartmouth Port Commission Chairman, J. W. E. Mingo, dated February 13, 1976. I think it makes a little bit of sense. At least it portrays the concern that we have in the ports of Halifax and Dartmouth. I am sure it echoes the concern of the port of Saint John, and I am sure it is supported in principle by concerned people in the ports of Montreal, Trois Rivieries and Quebec. It reads:

> We have been informed that you propose (i) to introduce legislation repealing the rates prescribed by section 272 of the Railway Act for the carriage of grain and flour to eastern ports by rail, thereby freeing the railroads to set their own rates, and also, effective April 1st of this year—

Of course it goes a little further than that. It is effective on April 1, 1976, or the date on which the act comes into force, whichever is later. We were pleased to get from the government early last summer an undertaking not to proceed with it. So we can assume that the effective date will be the date on which the act comes into force. That will be one of the lengthiest battles which this Chamber has ever seen because this bill will not go through without the most bitter debate that we have seen in a long time. It is a classic unconcern. I continue quoting:

● (2130)

> —(ii) To terminate the subsidy, estimated to have aggregated $11 million in 1975, now being paid to compensate the railroads for losses sustained in moving this traffic at statutory rates.
>
> We appreciate that you are acting on the advice of public servants in your department who have given such action consideration. Yet we are at a loss to understand how it can be justified and accordingly we are requesting an opportunity to discuss it with you.
>
> Termination of the subsidy and the statutory rates will cost Halifax its export flour trade estimated at 200,000 tons in 1976, and will greatly reduce the throughput of grain at its elevator, thereby increasing the operating deficit of the elevator to the point where its closure will be inevitable.

I depart from quoting here. I remind you, Mr. Speaker, that the port of Halifax was built on the principle that this country required a major year round ice-free port on the east coast. That is why it was built 70 or 80 years ago.

I again quote:

Closure of the elevator will curtail Halifax's port operation, close down the operations of Dover Mills, and undermine hog production in the province by permitting an increase in the rail rates for the importation from western Canada of domestic feed grains.

Nothing has happened about that yet, has it? To continue:

The justification for such damage to our economy eludes us for a number of reasons including the following:

(1) Even when it is desirable to remove a subsidy, it is ordinarily undesirable to remove it so abruptly that the economy which relies upon it cannot adjust.

(2) This is especially true where, as here, the economy is one which the federal government is seeking to strengthen in pursuit of its avowed policy to reduce regional disparity.

(3) Prairie grain moves at statutory rates to Vancouver and Thunder Bay, at an annual loss to the railroads which is now estimated at $150 million or more and which has to be subsidized by other traffic including export-import traffic moving to and from the Port of Halifax, and from Thunder Bay via the St. Lawrence Seaway at highly subsidized tolls to Montreal, Bay Comeau, and the other river and gulf ports. How is it that this $11 million subsidy on the movement of grain to eastern ports is singled out for termination?

(4) The explanation is even more difficult when it is appreciated that, in the broad sense, the enormous excess of expenditure over revenue of your department and of the Crown corporations in the transportation field which report to you constitutes a complex framework of transportation subsidies for the benefit of various constituencies of Canadians, and that the only subsidies which benefit the export-import traffic of the Port of Halifax appear to be its share of the one which you now propose to abolish and the operating loss of NHB on its Halifax facilities. This loss was $700,000 in 1975 and is forecast to disappear in 1976.

That is, Mr. Speaker, if we ever get around to some more important legislation than this piece of stupidity.

(5) We have been informed that your department is reducing its expenditures by $31 million as its contribution to the federal government's program of budgetary restraint, and that, of this $31 million, $23 million, or 74 per cent, including the $11 million subsidy in question, will come from expenditures now being made in the Atlantic provinces. If this information is correct, how is it that the least prosperous region of the country, the one with the most precarious economy and the lowest standard of living, is being asked to bear three quarters of the burden?

Why is that, Mr. Speaker? I am asking hon. members opposite why is that?

(6) The "at and east" rates were introduced years ago to encourage the use of Canadian ports. So far as we know, encouragement in this manner of the use of Canadian ports for Canadian trade is still the policy of the federal government—

Mr. Speaker, I know of no white paper or no statement to contradict that, yet the government acts differently.

—and, if this is the case, the "at and east" rates should not be eliminated until a different policy is proposed, debated and adopted. Surely this policy, if it is to be changed, should be changed on its merits, and not for reasons of budgetary restraint.

(7) To us, it seems that the "at and east" rates were selected for termination, not as part of any well conceived new national transportation policy, but because there was pressure on your department to cut expenditures somewhere and the subsidy underlying these rates was easy to identify and otherwise convenient.

(8) We suggest that the proper course is to retain this subsidy until the whole question of the movement, east and west, of grain, coal and other bulk commodities is examined from the standpoint of projected traffic, available technology, and cost to the taxpayer . . . When all federal government and railroad subsidies are eliminated, and all technological options are optimized, we suspect the most economical way of moving grain from the prairies to Europe will be by rail from Saskatchewan to Halifax utilizing a unit train composed of special purpose hopper cars.

At all events we would like the opportunity to discuss these matters with you before any irrevocable step is taken.

It would be interesting to know, Mr. Speaker, whether anybody has bothered to communicate with Mr. Mingo with respect to that program. He is a highly respected member of our community, a highly respected member of the Liberal Party of Canada, and a man for whom I have a great deal of personal respect. These are the views he expressed to a government which has frequently in the past sought his advice about political matters in the Atlantic area, particularly in Halifax and Nova Scotia generally.

If the Parliamentary Secretary to the Minister of Transport (Mr. Roy) is in the Chamber I should like him to find out whether a response was made to that telegram and, if so, would anyone table it or table a study which sets forth alternatives to dealing with this.

Mr. MacFarlane: Why do you not table it?

Mr. Forrestall: I am not allowed to. I am not the big boy around here like you.

Mr. MacFarlane: You read something from it.

Mr. Forrestall: I have not read a thing from it. I have not quoted from it.

Mr. MacFarlane: Why not?

Mr. Forrestall: It might offend your sensitivities. You might get uptight about it. There are three alternatives and I will paraphrase them. The first is that you do not do anything with respect to section 272. Second, you can be right about section 272 and provide some form of fixed subsidy, the effect of which would be to separate completely Montreal from Halifax and Saint John. The millers would just move to Montreal and eliminate the area of Saint John, Montreal and Halifax East Dartmouth. That would be the immediate implementation. Or you could drop this altogether, make no amendment and introduce a subsidy directly to the grain millers. That is taking the money out of one pocket and putting it in another, thus freeing Canadian National to get into their so-called compensatory thrust of recent years to the fullest extent. I suggest any of them rather than continue the debate this House will face with respect to clause 15 of Bill C-19. I notice that this part of the bill is similar to the previous Bill C-167, introduced in the last session. Not even a comma appears to have been changed. We suggest that the government should delete this clause and thereby secure fairly quick passage of certain other clauses.

● (2140)

The bill seeks to amend the Occupational Training Act and the Family Allowances Act. The government may face difficulties with the latter provision. The bill will secure passage much more quickly if the government listens to the best advice of its experts, and does not implement the clause of which I am speaking. The government has done no studies; it possesses no

comparative analysis on the effect of shifting the subsidy. I say, you will not save any Canadian taxpayer money; so why not leave the matter alone? So far as I am aware no member on the government side is prepared to see us abandon totally the export of flour and grain.

As I said at the beginning, the course open to the government is simple. Don't do it. Do not implement this part of the bill. It is stupid. No one will benefit and you will hurt many people, from the Lakehead to Halifax. Further, if implemented, the proposal would cost us thousands of man years of productive employment. Most of the people affected have worked in their field most of their lives. They are not easily retrainable. Once their unemployment insurance runs out, most of them will be in dire difficulties. Although the government has not studied the matter, I suspect that most of them are not re-employable or retrainable. After their unemployment insurance benefits run out they will become a direct burden on their families and on the government. Therefore the bill will achieve nothing.

I appeal to hon. members opposite to bring pressure to bear on the government with respect to this matter, as I am sure they have received briefs and letters from people most directly affected. I appeal to them to bring pressure to bear on the President of the Treasury Board (Mr. Andras) and the Minister of Transport with respect to this clause. Last spring the government did not find it difficult to retreat after introducing a similar provision. I suggest, if the government is anxious to pass this bill, that it could probably make similar changes at this time. After all, it can do this better than we can. I tell the government that the more quickly it does this the more quickly this bill will pass and, unless it does this, we may be debating this bill next spring. The only other way the government will get it through is with closure and if it wants closure hanging over its head for such a stupid matter as this it must bear the consequences. The people of Canada will not put up with it and the people of Halifax will not tolerate what the government proposes.

Since the opening of the St. Lawrence Seaway we, in the port of Halifax, have seen 19 increases in freight rates. And how many have been imposed in the St. Lawrence Seaway? None. Not one darned extra cent has been imposed during the period when the ports of Halifax and Saint John have seen 19 increases. There has not been one increase with respect to ports above the city of Montreal—not one, and we talk about the user-pay concept! We in the Atlantic provinces have said, "All right, keep the Seaway open, but with our taxes we will pay for icebreaking purposes. Please leave us alone when we develop alternative uses for our ports." The government watched us do that for seven or eight years; what we did made it uncomfortable and it jumped on us again last spring, to the point where Halifax has lost 40 per cent of its business. God only knows if we will ever get it back. And we have been forced to sit here, to legislate men back to work because of the ineptitude of the government's management of relations between employees, employers, and those who use our ports.

[Mr. Forrestall.]

Unless the government listens, this bill will not be given speedy passage. As the days go by others will be on their feet, speaking on the bill. Time and again hon. members will urge the government not to move in the wrong direction. I say that the government immediately ought to begin doing those things which will restore the confidence of the people of Canada in their federal government.

Mr. Arthur Portelance (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as hon. members know, Bill C-19 is a major symbol of the government's determination to do everything it possibly can to fight inflation. Inflation has no single cause. Some of our inflation is forced upon us in the prices of our imports from other countries. Some inflation results from the competitive scramble of the different parts of our society to enlarge their share of the national wealth. Some of it comes from increases in our money supply, and some of it is associated with the operations of the market place to which government programs must react.

We have taken steps to attack the root causes of inflation, including the very important element of expectations. As we now know, a great deal of inflation comes simply from the expectations of people that there will be more of it. Because people expect inflation, they are forced to bargain for higher wages. Because firms expect cost inflation, they feel forced to raise their prices. Because governments expect inflation, they feel that they too must make advance provision for it. The cumulation of all of those actions is self-defeating. It results in the inflation that we are all trying to protect ourselves from.

In view of the nature of inflation, Mr. Speaker, and in view of the major role that expectations play in it, the government has taken a number of broad steps. The one which has achieved the most prominence is the measures we have taken to prevent the undue escalation of wages and prices. That, although not universally popular, has been a key step. It imposes restraint where it has not been possible to get a voluntary consensus on restraint. It is crucial that we all should be able to see that the restraint is real, that inflation will come down and is coming down and that we need no longer expect fear and anticipate inflation. It is only when those expectations of continued rapid inflation have been laid to rest that we will be able to afford to do without positive controls.

The wage and price control program, though, does not directly deal with the government sector and it is evident that the Canadian people expect the government to exercise as much restraint as it is asking them to do. That is one of the main reasons for this bill. We are determined to show the country that we are not asking others to do anything that we are unwilling to impose upon ourselves. Restraint on the part of unions, on the part of business, and on the part of individuals must be accompanied by a restraint on the part of government.

● (2150)

I will not deal, Mr. Speaker, with all of the many important clauses in this bill. I want to focus for a moment on those

clauses which deal with the areas of particular and direct concern to the Department of Manpower and Immigration. They deal with the basis on which allowances are paid under the Adult Occupational Training Act.

The present legislation, established a decade ago, set a fixed bottom allowance rate and a fixed top rate. It provided that both the top and the bottom would be escalated each year on the first of July. The escalator it established was based on a national statistic—the average hourly earnings in manufacturing.

The effect this had was that any upward pressure on hourly earnings in manufacturing had an automatic and equal impact on this important portion of government expenditures, but with a lag. If wages rose 16 per cent, allowances would go up 16 per cent in the next year, even if the rise in wages and in other income maintenance payments slackened off to 8 per cent.

The department is now spending some $200 million on training allowances. It is clear that an across-the-board increase of 16 or 10 or even 8 per cent would have a significant impact on government expenditures. The legislation made that impact virtually automatic.

The result has been that the department is faced with continually escalating costs of getting our badly-needed training done. At a time when government must restrain its expenditures rather than expand them, that does not make very good sense. It has meant that each year the department could do a little less training. It has been one of the factors which has prevented us from being able to train as many Canadians as need training or to provide as many skilled workers to industry as industry has frequently required.

At the same time as the escalator has bitten into our training budget, it has been one of the causes of the extreme difficulty that we have in controlling government expenditures.

The control of government expenditures is one of the most difficult problems that progressive governments in democratic countries face today. The real needs and the real demands are there. We must meet them. We must, though, meet them in ways which are as little inflationary as possible and in ways which do not give a further upward nudge to the inflationary spiral.

Those, Mr. Speaker, are some of the fundamental reasons why the government has decided to eliminate the automatic escalator for training allowances. It is a key part of our program to keep our day-to-day expenditures under control and let us do the most good we can with the money that we have.

I would not want to leave you with the feeling that this change is sensible only as an anti-inflationary measure. The fact of the matter is that, in training terms, this kind of change is desirable in and of itself. The old system whereby the law forced a rigid escalation of the upper and lower limits of the allowances with no regard to what was happening in respect of other forms of income support, with respect to what was happening in labour markets, or what the actual income needs of trainees really were, had begun to seriously distort our training programs. The department found, for instance, that it could not make all the adjustments that were needed from time to time. The law raised allowance levels automatically, departmental consultations with the provinces about what levels would best fit particular circumstances tended to become a bit of a sham. The fact was that the law gave us little choice in the matter.

The department wound up paying too much to some people and not enough to others. We could not provide suitable allowances to groups of people whose real need for them was modest. Too often the department had to pay a high allowance or nothing at all.

I would remind the House that these anomalies were what caused the department in 1972 to seek and obtain authority to pay allowances to people who were not the heads of households and to pay them at levels not earlier permitted by the legislation.

These amendments today are a further step in that direction. They will, I believe, permit the department to re-examine and use in a more flexible way, the scarce allowance funds. Our fundamental desire is to make sure that as many as possible have the replacement incomes they need to take training.

The amendments will permit us to pay training allowances on a human basis rather than a statistical basis. Allowances, from now on will be determined not on the basis of national statistics but on the basis of the family circumstances and living costs of the people who actually need to take training.

I need hardly say that I feel that, both on the anti-inflationary grounds and in terms of the benefits it will bring to the training program, that change will be most helpful indeed. It will give the department the flexibility to make the allowances suit the circumstance. The new legislation would let us do exactly what we are now doing or it would permit us to alter the system to meet regional and local circumstances, to let allowances bear some sensible relationship to other means of income support, and particularly to have variation in relation to the cost of living as well as to family circumstances.

Some hon. Members: Ten o'clock.

[*Translation*]

Mr. Deputy Speaker: Order, please! I regret to have to interrupt the hon. member but, it being ten o'clock, we must proceed to the motion to adjourn.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

ENERGY—POSSIBILITY OF RE-ACTIVATION OF REFINERY AT COME-BY-CHANCE—GOVERNMENT POSITION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, the constituency of St. John's West had not been represented by a member for 14 months, and on November 2, the district being represented again, I asked a question of the Minister of Energy, Mines and Resources (Mr. Gillespie) in connection with the oil refinery at Come-by-Chance. There is an oil refinery there, as hon. members know, representing an investment of some $250 million to $300 million. Last February it went into bankruptcy, and the refinery has not operated since the end of February as a result of which around 600 people find themselves unemployed.

The Government of Canada has a connection with this refinery because the wharf at Come-by-Chance was financed by the taxpayers of Canada to the tune of some $20 million, a sum which is still owed to the government.

At the beginning of March the Minister of Energy, Mines and Resources said that at his request Petro-Canada was investigating whether it might be interested in acquiring the refining complex and that consultants were being engaged by Petro-Canada to examine the situation and advise thereon. That announcement was made early in March, some eight months ago. I asked the minister the other day whether the report had been received. He said that it had but that he was unable to give the results of the study. Is the minister concerned about this situation at Come-by-Chance or not? Is the government concerned about the situation at Come-by-Chance or not? Apparently not.

● (2200)

The Secretary of State for External Affairs (Mr. Jamieson) was in Come-by-Chance at the end of August—Come-by-Chance happens to be in the district of St. John's West—at a meeting with the union people, and he told them that it looked to him as though the refinery would be repaired, reconstituted this winter, and in operation again by spring. But what evidence have we of that, Mr. Speaker?

On November 2 I also asked the minister to advise the House what steps, if any, the Government of Canada was prepared to take to assist in reactivating this oil refinery. The minister did not answer that question. I ask again, what steps, if any, is the Government of Canada prepared to take? Is it prepared to make any grant to assist in the reopening of the refinery? Is it prepared to make any loans at a low interest rate to help reopen the refinery? Is it prepared to make any arrangements with reference to the wharf at Come-by-Chance to assist in the start-up of that refinery? Is the government prepared to consider making the area a duty free zone in order to assist the reopening of the refinery? Or what steps is the Government of Canada willing to take, Mr. Speaker?

Those are my questions. The people of Come-by-Chance and the 400 or 500 employees, many of whom are still waiting in the area and hoping the refinery will reopen so that they do not have to move to Alberta or somewhere else in Canada, are waiting for these questions to be answered.

[Mr. Deputy Speaker.]

In my opinion it is cruel and callous of the Minister of Energy, Mines and Resources to take such a blasé attitude to a question asked of him about this situation. The other day the minister said that he had not been approached and that he did not know of any approach to the Government of Canada by any group to see whether the Government of Canada was prepared to do anything to help reopen this refinery. Let me tell the hon. gentleman now that the largest creditor in the bankruptcy, the Ataka company which is owed some $250 million to $300 million, had a representative approach ministers of the Government of Canada to ask whether the government were prepared to take any steps of the kind I have mentioned. They approached the Minister of Finance (Mr. Macdonald)—and I would suggest that the Minister of Energy, Mines and Resources consult with him—to find out whether a grant or loan might be made, or any steps taken. His advice was that this was very unlikely, that he felt that the refinery was finished and should be written off. That was the attitude of the Minister of Finance.

The Secretary of State for External Affairs, who represents the province of Newfoundland in the cabinet, took much the same position when he was approached. I would now ask the Minister of Energy, Mines and Resources or his representative to inform the House, the people of Newfoundland, the people of Come-by-Chance, and the people of St. John's West, what steps, if any, they are prepared to take to assist either the Japanese creditor or any other group in getting this refinery back in operation again, so that these assets do not just rust away. They are now being mothballed by the first mortgagee or receiver and the assets are wasting away. Some 500 people have been put out of work. What, if anything, is the Government of Canada prepared to do? Is the attitude of the Government of Canada that of the Minister of Finance, that the refinery should be written off and forgotten? Or is the attitude of the Government of Canada going to be one of helping to assist this project get under way again?

This is an industry that Newfoundland can ill afford to lose. This refinery may be of very little consequence to the province of Alberta, but to the province of Newfoundland it represents 500 jobs. It is an industry we cannot afford to have shut down. About $47 million of the people of Newfoundland's money is invested in the project as second mortgagees, and the people of Canada have invested about $20 million. Will the Government of Canada assist at all by grants or loans at low interest rates? What are the results of the Petro-Can study? Does Petro-Can have any interest in this project, or is this just a cynical attempt to make it appear that the Government of Canada is taking some action?

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is true that Canada has great interest in the Come-by-Chance refinery. This has been shown many times, for example, in the contribution toward building a wharf and the weekly concern with regard to the situation now prevailing in Come-by-Chance.

To date the Canadian government has not received a request or been presented with any proposals relative to its participa-

tion in the reactivation of the Come-by-Chance refinery. The government, of course, would welcome reopening of this plant by an entity that could provide the needed technical and financial resources. It would be understood that any proposal by a foreign controlled agency would require the approval of the Foreign Investment Review Agency.

Concerning the activity of Petro-Canada with respect to this refinery, I can say that the corporation has had a consultant's report prepared in connection with its appraisal of the possible business opportunities presented by the Come-by-Chance situation. This was not a report to the Minister of Energy, Mines and Resources (Mr. Gillespie), but rather to the corporation. Members will realize that there are very large demands being made on Petro-Canada and, for the present, the corporation's priorities lie with oil and gas resources development rather than with refining and marketing.

The federal government will continue to keep the Come-by-Chance situation under study and will encourage consideration of any plan that would make provision for the rather large amounts of capital that would be required to reactivate the refinery and find adequate markets for its products.

I hope that within the next few days an acceptable solution will be found by the provincial authorities and the refinery.

CANADIAN NATIONAL RAILWAYS—REDUCTION OF STAFF AND SERVICE IN NEWFOUNDLAND—REQUEST FOR INVESTIGATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, the grievance which I want to express tonight revolves around a question I asked the Minister of Transport (Mr. Lang) on October 22 in connection with the announced reduction of CNR staff in Newfoundland. Notwithstanding the fact that any changes in plans by CN, as they continually suggest, might be in the interest of the public they serve, the manner in which they make these announcements leaves much to be desired.

In this particular case which prompted my question the reduction in staff of four positions at Port-aux-Basques, five in central Newfoundland, and seven in Stephenville in western Newfoundland, reductions which were rumoured and came to my attention many weeks ago, was unconditionally denied by CN's senior officials. However, the very decisions that were denied, were made and confirmed in a letter to me from the Newfoundland area manager dated October 25. It keeps being confirmed as we reflect over CN action to downgrade rail service in my province. They keep following the same pattern of degrading Canadian National tactics to camouflage their real objectives while demoralizing human beings, the staff that has served them faithfully over the years.

The action, I repeat, follows the same pattern. First they start the rumours, then they deny them, and then an announcement is made of the introduction of changes in operations as part of plans to modernize and improve methods of doing business. Usually the method of modernizing is to lay off staff or remove a service.

The most ridiculous point in their effort of camouflaging their real intentions is that they think they are believed. They are living in the world of fantasy that they are fulfilling their responsibility to Canadians. I say that they are living in the twilight zone. They try to camouflage completely their real intentions by the same old sorry method of confusion, relating that on the basis of the CN Express distribution system and the business environment in which CN operates that these are the conclusions reached which will be of benefit to the business community.

They go on to further confuse by relating that a study indicates that if CN Express is to maintain its competitive position in the package traffic market and improve productivity and service levels, alterations are essential. Then they try to impose more public relations utterances—that in order to make improvements there will be a number of changes in the traditional way of doing things.

They have been making the same noises for the past seven or eight years, in fact since the Pickersgillian sell-out of the province of Newfoundland when our citizens were used as an altar offering for the rest of Canada to start the persistent process of eliminating rail passenger service in various parts of the country.

● (2210)

I was pleased to note from the minister's answer to my question of Wednesday, October 27, that he would look into the question of statements that had been made by CN officials and then contradicted by action to deteriorate rail rate and express service in Newfoundland further and eventually to turn to rubber traffic which was the case when rail traffic was eliminated in favour of bus service. The minister further indicated he would be interested in having discussions with representatives of the province of Newfoundland and other interested people on the whole question of transportation in Newfoundland both by rail and road. I hope that in his reference to road transportation he was referring to the need for highway strengthening. The minister further stated that he is very much concerned about this issue which is a vital one in the province of Newfoundland. I am concerned particularly about the future transportation policy in western Newfoundland.

I suggested to the chairman of the standing committee that the committee visit southern and western Newfoundland to determine the needs of that area. I only hope that the parliamentary secretary will be able to disclose to me tonight that the minister has not only granted the authority to the standing committee to visit that part of the province but has taken the appropriate action to investigate the thrust by regional representatives of the Canadian National to eliminate rail service in Newfoundland by cloak and dagger tactics, and without any common sense effort to realize that the basis of any economy, particularly in isolated areas of Canada, is a fundamental, adequate transportation system which includes more than ever an expansion of the service rather than a deliberate attempt to phase out CN responsibility in the province of Newfoundland.

Let me give one example. I might point out that one of the bases of the economy of Newfoundland is a pulp and paper firm named Bowaters. A letter from that company dated November 1, 1976, states in part:

> Bowaters' concern on some aspects of the development plan that will affect our economic viability to remain in business here is as follows:
>
> i) The urgent necessity of a standard rail car ferry service to Corner Brook from some mainland marine rail terminal, for the shipping of our newsprint. Newsprint cars would normally come to Corner Brook empty but could bring in general freight. Many mainland publishers are now preferring to buy newsprint in small lots, delivered frequently by special, large, cushioned rail cars rather than ship-loads that must be warehoused and rehandled. More rail shipments would not only help us to develop and keep more northeastern markets but also would have the added advantage of more evenly scheduling the work of our warehouse and shipping personnel.

This is one example of the situation in respect of a basic industry in Newfoundland. It is obvious that the government is not investigating the thrust of the CN with regard to building an economic base and provinding a responsible rail freight and express service in that province. I hope the parliamentary secretary will be able to give me an answer that indicates the intention of the minister relating to Newfoundland, and to its future which depends on transportation.

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, while I have moved over to assume new responsibilities as Parliamentary Secretary to the President of the Privy Council, I still maintain a very keen interest in Canadian transportation matters, and am glad to have the opportunity to pinch hit for the Minister of Transport (Mr. Lang) and his parliamentary secretary in replying once again to my hon. friend from Humber-St. George's-St. Barbe on a topic which I know is of great concern to him, and which the minister has indicated is of great concern to the government. To begin with I should like to quote from a portion of the minister's original answer to the hon. member on October 27. He said:

> The question of Canadian National operations is, of course, largely for its management in a broad way, but I would be interested in having discussions with the province of Newfoundland and with other interested people on the whole question of transportation in Newfoundland both by rail and road. This is a vital issue in the province, one with which I am very much concerned.

Moments ago the hon. gentleman mentioned at least parts of the minister's original answer in the question which he addressed to the House this evening. As a result of the minister's concern about Newfoundland transportation generally and as a result of the hon. member's inquiries on this subject, a representative of the CTC has been in Newfoundland recently to examine closely the situation in question. I understand that his review has just now been completed, and I know the Minister of Transport will want to take a very close look at what this examination might reveal, and we hope that in that examination some of the answers to the inquiries which have been raised this evening and on other occasions will be found.

Furthermore, I think it is important to note that in a more general context and in co-operation with the provincial administration in Newfoundland, the Minister of Transport will continue efforts to examine a variety of different transportation issues including costs and shifting intermodal relationships which affect all modes operating in Newfoundland, as well as Atlantic transportation generally.

[Mr. Marshall.]

ENERGY—REQUEST FOR TABLING OF DOCUMENTS RELATING TO ESTABLISHMENT OF URANIUM REFINERY IN SASKATCHEWAN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, my question tonight arises from a response that I received from the Minister of Energy, Mines and Resources (Mr. Gillespie) on October 22, 1976, when I raised a question which is causing growing concern among people in my constituency and in the adjacent constituency of Saskatoon-Humboldt with respect to the establishment of a uranium refinery which appears to be destined for just outside the city of Saskatoon near Warman, Saskatchewan. I questioned the minister at that time as to whether or not he would be good enough to table the various documents and agreements that were entered into between the province of Saskatchewan and the Government of Canada regarding their respective agencies.

All of us who read the Speech from the Throne will remember clearly the following statement:

> At a time of growing complexity in public affairs it is especially important to enhance citizens' rate of access to information necessary to make well informed judgments and take responsible action.

That particular declaration in the Speech from the Throne gave me some hope that finally the government might be inclined to make public its plans, particularly with respect to the kind of facility that it is apparently planning in Saskatchewan.

I raised this question in the last session of parliament when I asked about the plans of the government. The parliamentary secretary indicated to me that Warman is one of the sites being considered in Saskatchewan. He indicated in his response to me on June 17, 1976, that the decision would be made and then they would have something called a public educational program for the people. In other words, apparently the decision will be made on this project and then they are going to explain to the people of Saskatchewan, and particularly of Saskatoon, how safe it is and what a great facility this will be. I do not think that is at all satisfactory. I wrote to the minister on July 5 of this year and stated to him in the strongest terms my apprehension about the course the government was following. I pointed out to him that there are many people who were communicating with me in Saskatoon and in the adjacent area asking what the government had in mind.

Virtually no information was forthcoming. The federal government was in conspiracy with the provincial NDP government apparently, and acquiring property and land for the establishment of this particular refinery, and not letting the people in the area have any idea of what was going on. There was some suggestion by the parliamentary secretary that after the decision was made there would be a public information program. I do not think that is satisfactory enough.

I asked the minister in my letter to him on July 5 if he would outline precisely what steps were anticipated by the government with respect to the establishment of this refinery. I am sorry to say that the response to my letter was in the most general terms. The minister indicated to me at that time that we could expect a decision about the site within a matter of weeks. A number of months have passed and there has been no indication of any selection process.

● (2220)

I think the government has a lot to answer for, and also the provincial NDP government whose representatives have been howling since I raised this matter in this House. They claim it is a matter of playing politics, but I can assure you, Mr. Speaker, I am not playing on this issue. People are concerned and they have a right to know. This is not wartime when we might be worried about the atomic bomb. People have the right to know about the kind of facility being put next to a large area of population. If the plant is going to be as safe as the spokesman for Eldorado says it is going to be, if it will be as safe as the minister has indicated, then why are they holding back and not tabling all the environmental impact studies? Why are they not telling us exactly what kind of studies are going on? Why do they not tell us what sites are being considered other than the one in Warman, which was only found out because a Conservative MLA stumbled across the information that they were picking up options through the Saskatchewan Economic Development Corporation in that particular area? We have no idea of what other sites are being considered.

No information has been given to us by either level of government about their intentions. In other words, it is another case of the government in its usual and continuing arrogant manner knowing what is best for the people in the various regions and areas of our country and not practising the participatory democracy that the Prime Minister (Mr. Trudeau) talked about in 1968—not allowing people to make well informed decisions on the basis of information provided by the government. I think this kind of example does more to show the necessity for a freedom of information act than many other examples that I could quote. It is lack of information in cases like this that shows how we need a freedom of information act which would provide an independent tribunal to decide whether information was properly withheld from the people of the country.

I take very strong exception to the kind of flim-flam, delay, and evasion practised by this government—and by the provincial government as well. I should not place all the blame on the federal government. It seems to me, however, that if these governments persist in this particular attitude they will suffer serious consequences in Saskatoon and the surrounding areas in future elections.

Some hon. Members: Hear, hear!

Mr. Maurice Dupras (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in reference to the question of the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn) of October 22, now I understand why a representative of the department of industry and commerce in the Saskatchewan provincial government said of him that he is either misleading his constituents or is misinformed. Of course he is uninformed if he does not know what the government is doing.

I will read it again for the hon. member because he does not seem to remember what was contained in that press release.

Gordon Burton, director of Corporate Affairs for the company, said the purpose of the the options is to allow Eldorado Nuclear to conduct detailed environmental and engineering studies of the site to determine whether it would be suitable for a refinery.

It is emphasized that the company has not yet made a decision to proceed, Mr. Burton said. This decision is dependant on many factors, not the least of which is the assurance of a supply of concentrates from proposed new mines in the northern part of the province.

He went on, Mr. Speaker:

The environmental studies as well as a large amount of other data will—if they support a decision to proceed—be made public before any construction begins.

I wonder if the hon. member is paying attention? Mr. Burton added:

Indeed, the environmental impact statement is subject, under government legislation, to public hearings.

If the hon. member had read page 3 of the same press release he would have noted that the Eldorado office in Saskatoon hopes to begin within the next several months a general information program on the nature of uraniam exploration, mining and refining.

The same press release also speaks of a new refinery in Ontario. For instance it says on page 2:

Plans have been announced for a new refinery in Ontario to begin production by 1980, and the company now is examining the feasibility of another refinery in Saskatchewan.

There is no wartime-like secrecy surrounding this press release and I think the provincial minister of industry and commerce, Mr. Messer, is correct. I think the hon. member is misleading his constituents.

Mr. Hnatyshyn: That is not correct.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until two o'clock tomorrow afternoon.

Motion agreed to and the House adjourned at 10:28 p.m.

HOUSE OF COMMONS

Tuesday, November 9, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

PROPOSED IMPLEMENTATION OF COMMITTEE RECOMMENDATION CONCERNING WIDOWS' PENSIONS—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to move a motion under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. During the last session, as a result of the Hermann Report, a recommendation was made to the Government of Canada to provide pensions for those widows whose veteran husbands were in receipt of a war disability pension of less than 48 per cent and who, under present circumstances, are placed in the discriminatory position of being denied that deserved assistance. I move, seconded by the hon. member for Portage (Mr. Masniuk):

That this House orders that the Government of Canada reaffirm the commitment made to veterans by Sir Robert Borden in 1917, and by successive Prime Ministers since, and implement amendments to the Pension Act to provide widows of veterans pensions in line with the recommendations of the Standing Committee on Veterans Affairs.

Mr. Speaker: Such a motion can only be presented to the House with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

SUGGESTED REACTIVATION OF CAPITAL WORKS PROGRAM—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Mr. Speaker, since the provincial-federal conference of finance ministers is scheduled to meet at the end of this month in Ottawa, under the provisions of Standing Order 43 I move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That the Minister of Finance, in consultation with his provincial counterparts, reactivate the federal-provincial capital works projects to reduce and eliminate the high level of unemployment in this country.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: No.

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[*Translation*]

HOUSE OF COMMONS

RECOMMENDATION THAT PUBLIC BE ADMITTED TO HOUSE DURING PRAYERS—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I request the unanimous consent of the House to present a motion dealing with an important matter.

As we need more than ever the guidance of Providence to face our obligations, and as it would be advisable to associate the people with the prayers hon. members say every day at the beginning of the sitting of the House, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House recommend an amendment to the Standing Orders of the House allowing the public to take place in the galleries before the start of the sitting so that they might join the House in heart and in mind, in its prayer and that our deliberations might be fruitful and profitable to the well-being of the people.

Mr. Speaker: The House has heard the motion of the hon. member. Under Standing Order 43, it requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Mr. Speaker: Since the House is unanimous in its consent, I shall put the motion. Seconded by the hon. member for Roberval (Mr. Gauthier), the hon. member for Bellechasse (Mr. Lambert) moves:

That this House recommend an amendment to the Standing Orders of the House allowing the public to take place in the galleries before the start of the sitting so that they might join the House, in heart and in mind, in its prayer and that our deliberations might be fruitful and profitable to the well-being of the people.

Does it please the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

AIRPORTS

REQUEST FOR INQUIRY INTO SYSTEM OF ALLOCATING CAR RENTAL CONCESSIONS—MOTION UNDER S.O. 43

Mr. J. H. Horner (Crowfoot): Mr. Speaker, under the provisions of Standing Order 43, I rise on a matter of urgent and pressing necessity, namely the misunderstandings, the confusion and the irregularities that exist in the Ministry of Transport in allocating car rental concessions at the nine MOT airports. I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That this House instruct the Minister of Transport to call for an immediate inquiry into the Ministry of Transport's system of allocating car rental concessions at its nine airports.

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

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

● (1410)

ROYAL CANADIAN MOUNTED POLICE

PROVISION OF COUNSEL FOR MEMBERS CHARGED WITH BREAKING INTO NEWSPAPER OFFICE IN QUEBEC—MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise on a matter of urgent and pressing necessity pursuant to the provisions of Standing Order 43, relating to the alarming precedent of police entering the premises of a Quebec newspaper some time ago. In view of the type of treatment received in recent years by RCMP members in terms of natural justice and in view of the delay by this government in implementing any provisions in the report of the Marin Commission of inquiry with respect to the RCMP, I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That the Solicitor General take whatever steps necessary to ensure that those officers accused with respect to the break into L'Agence de Presse Libre du Québec are provided with counsel to defend them in order to make certain that these men are not made scapegoats for that type of activity which should be the responsibility of those who make, direct and interpret police and security policy.

Mr. Speaker: Such a motion pursuant to Standing Order 43 can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

ADMINISTRATION OF JUSTICE

PROCEDURE TO ENSURE PAYMENT OF ACCOUNT FOR OUELLET CASE IN QUEBEC COURTS—MOTION UNDER S.O. 43

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, yesterday I gave notice of this motion under Standing Order 43 with regard to a change in procedure to be used in connection with Montreal courts. I move, seconded by the hon. member for Winnipeg South Centre (Mr. McKenzie):

That this House request that the government consider an attempted solution of the impasse over the payment of certain legal charges arising from the Ouellet contempt of court proceedings by taking two steps: First, to approach the Quebec government and ask it to agree that there be a binding decision in the matter by the Batonnier of the Montreal Bar as to all disputes between the federal and provincial governments in this matter; and second, that both governments make it clear that the account will only be so considered after it is approved by the Arbitration Board of the Bar of the province of Quebec.

Mr. Speaker: Standing Order 43 requires unanimous consent for the presentation of such motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

PROPOSED INCREASE IN FUNDS FOR CONSTRUCTION TO PROVIDE EMPLOYMENT—MOTION UNDER S.O. 43

Mr. John Gilbert (Broadview): Mr. Speaker, given the high level of unemployment in Canada, I rise under Standing Order 43, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles) to move the following motion:

That this government increase its capital budget under CMHC to provide additional housing, particularly for cooperative and low income housing, which will both provide additional jobs this winter and increase our much required housing stock.

Mr. Speaker: Standing Order 43 requires unanimous consent for such a motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRIGADIER GARBA OF NIGERIA

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, may I use this occasion to call to your attention and that of hon. members the presence in the visitors' gallery of a most distinguished visitor, my counterpart from the Republic of Nigeria, His Excellency Brigadier Joseph N. Garba.

Some hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—MINISTERS ESTIMATE WHEN LEVEL WILL DECLINE—EFFECT OF ANTI-INFLATION PROGRAM—POSSIBILITY OF REVIEW

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put my question to the Minister of Finance. With 784,000 Canadians out of work 53,000 more than last May, and with unemployment at 7.6 per cent, a half point higher than in May, would the minister indicate when he anticipates a decline in this tragic situation, bearing in mind that in his May budget the minister predicted that unemployment would follow:

> . . . a level trend in the near term and gradually decline as cyclical expansion takes hold.

It has not happened and now we have thousands of Canadians needlessly out of work, with many feeling severe hardship.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the member has referred to it at the end of my comments in the May budget, and it is quite clear that the cyclical trend which was hoped for has not materialized. The analysis of the October labour force survey is now underway. It indicates regional differences in Canada, in Ontario in particular, having been occasioned by the strike in the Ford Motor Company at the time the survey was taken and also indicates some severe regional problems in the eastern parts of Canada. At the moment I do not propose to make any further announcements or changes.

Mr. Stevens: In view of the minister's statement that the cyclical trend anticipated in his budget has not materialized, and as job creation has been virtually static since January, with an actual decline in employment since March, would the minister indicate if he still believes that the Canadian economy will generate more than 250,000 new jobs this year, as he stated in his May budget, and would he agree that the anti-inflation program has acted as a damper on our economic recovery and has cost tens of thousands of jobs?

Mr. Broadbent: It is your program, fellow.

Mr. Stevens: If the minister does not agree that the anti-inflation program has aggravated the problem of unemployment, would he allow—certainly before Christmas—an immediate parliamentary review of the entire program?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not agree that the anti-inflation program has been the reason for the slow increase in growth of the gross national product. I point out to the hon. gentleman that this is the same kind of slowing in recovery from the recession which has occurred in the United States, and indeed, in all the other OECD countries.

Mr. Broadbent: There is a new government in the United States, too.

Mr. Macdonald (Rosedale): Under the circumstances, it seems to me that our primary concern should still be the level of Canadian inflation, and I think the suggestion of the hon. gentleman that we should forget about inflation is really not well founded.

Mr. Hnatyshyn: He never said that.

UNEMPLOYMENT—EFFECT OF TARIFF REDUCTIONS

Mr. Sinclair Stevens (York-Simcoe): Hon. members know that I made no reference to inflation not being a serious problem in Canada at the present time.

Mr. Baker (Grenville-Carleton): The government is a serious problem, too.

Mr. Stevens: As a contributing factor to rising unemployment has been our sagging trade position, especially in manufactured goods, where we have an amazing $10 billion deficit, would the minister indicate if he plans any new approach with respect to our trade negotiations in Geneva or elsewhere, and specifically, does he intend to alter the tariff changes made in his May budget, at which time he stated that such tariff reductions would be withdrawn if they have serious effects on employment or production in Canada?

Hon. Donald S. Macdonald (Minister of Finance): I will correct my previous answer. The hon. gentleman says he is concerned about inflation, but his concern is that we should not take any initiatives against it.

An hon. Member: You are just concerned about power.

Mr. Macdonald (Rosedale): I point out to the hon. member that the budget of last May proposed reductions in tariffs on consumer goods, which would be of value in maintaining a restriction on the increase of consumer prices in Canada. It seems to me that the suggestion of the hon. gentleman that we should increase tariffs and thereby increase the cost of consumer goods in Canada—

Mr. Stevens: It is your suggestion.

Mr. Macdonald (Rosedale): —is hardly a stance consistent with concern about inflation.

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MANPOWER

REASON FOR DELAY IN CONSULTING PROVINCES ON PROGRAMS TO CREATE EMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration, who I know is interested in unemployment, or at least in his employment strategy. Given the fact that the University of Toronto Institute for Policy Analysis and the Conference Board of Canada have indicated that in terms of 1977 and years following we are going to experience very

sluggish growth and higher unemployment, which is, of course, little encouragement to those who are presently unemployed or those who will be unemployed, why is it necessary to wait until January 1977 to commence discussions with the provinces on a consultative basis regarding unemployment programs, as envisaged by the employment strategy, and has the minister actually stated that he finds it impossible to implement these programs before April, 1977?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I acknowledge the sincere concern of the hon. member about the level of unemployment. That is a feeling which is shared by everyone; it is not something one can treat with equanimity. At the present time we have ongoing programs. The Minister of Finance has indicated part of the reason that this particular figure is so high and has laid at least some of the blame on the strike picture. After we announce our programs and announce that there will be $100 million for LIP and $40 million or so for the training program and other programs, we run into problems. Then, there is concern that there has not been enough consultation with the provinces. We propose to do that. Quite frankly, if our analysis of the situation is such that further measures are needed and needed immediately, then I will not hesitate to recommend them.

● (1420)

Mr. Alexander: Mr. Speaker, I am not interested in a story from the minister. I want to know why, some eight or nine months after we first heard of this program from the former minister, the government is taking so long about this consultative process. Will the minister assure this House that he will contact his provincial counterparts to see to it that the consultative process does take place immediately so that there is a possibility that the programs to which it refers, that is employment strategy, can be introduced before April, 1977? Can the minister do that or does he not care?

Mr. Cullen: Mr. Speaker, I think the hon. member knows that I do care and that I am somewhat ahead of him in that about two weeks after I assumed this portfolio I met with the provincial ministers to discuss any other areas in which we have to share some jurisdiction.

Some hon. Members: Hear, hear!

Mr. Cullen: For example, there is the situation that arose in my own constituency where some 700 or 900 jobs are being filled by Americans now because we have not had proper apprenticeship programs to enable us to fill all these jobs.

An hon. Member: Whose fault is that?

An hon. Member: What are you doing about it?

An hon. Member: Get a new member.

Mr. Cullen: Mr. Speaker, the opposition seem to be yelling about whose fault it is rather than finding solutions.

Some hon. Members: Oh, oh!

[Mr. Alexander.]

Mr. Cullen: I would simply say that my provincial colleagues and I have been able to work very closely together. Some $64 million has been spent on the apprenticeship training program alone, which is an area clearly within the jurisdiction of the provinces, so we are endeavouring to move in the areas where we have authority and where we can work together. The opposition would have us wave a magic wand and all the jobs would be created.

Mr. Alexander: Mr. Speaker, a further supplementary. I should like to refer the minister to *Hansard* for October 28 with respect to this consultative process to which he has referred. At page 535 the minister is reported as saying:

> I expect we will commence our discussions with regard to programs on a consultative basis probably early in January, 1977 with a view to implementing them in approximately April of that year.

I would ask the minister if he is really meeting his provincial counterparts now on a consultative basis as envisaged, and why we have to wait so long for this particular type of consultation that he required? I am asking the minister if he can not speed it up and contact the provincial—

Some hon. Members: Order, order!

Some hon. Members: Hear, hear!

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FINANCE

REASON FOR FAILURE TO CUT TAXES TO ALLEVIATE UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance who has told the House that the rate of recovery in Canada is about the same as that in the United States. I would remind the Minister of Finance that they have just changed the government in the United States because of the slow rate of recovery. Given the fact that we now have the highest level of unemployment in 15 years—since the last time we had a Tory government, I might add—I should like to ask the minister why the government cannot bring in a tax cut at this time which would not be inflationary because we are only operating at 85 per cent capacity in the industrial sector?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I am not proposing to make any budgetary change at this point. I think it is clear, as I indicated in a reply to a previous question, that the unemployment figures at the present time, high as they are, have been of a regional nature. Indeed, in some parts of the country there are very substantial levels of employment. In these circumstances, it does not appear that at the moment at least a macro-economic change such as a tax cut would have the result for which we would both hope.

INCREASED BUDGET FOR HOUSING AS MEANS OF STIMULATING EMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, if the minister sees the entire country as one region, he is right in saying that we are concerned only about regional unemployment. If the minister will not consider a tax cut as one method of dealing with unemployment, will he contemplate the kinds of changes proposed earlier, namely, stimulating the housing budget at the national level? This would affect municipalities across the country, create jobs and meet housing needs.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would be glad to take that as a suggestion. I have noted in the recent report that the rate of housing completions in Canada has been, I think I am right in saying, almost at an historic high. Obviously, the government will want to give close attention in the months to come to the hon. member's proposal, along with others.

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UNEMPLOYMENT INSURANCE

BASIS UPON WHICH ANTICIPATED SAVINGS CALCULATED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct my last supplementary question to the Minister of Manpower and Immigration? Will he confirm that the $110 million saving which he anticipates next year from changes in the Unemployment Insurance Act is based on something printed in one of his own department's documents, namely, the assumption that unemployment next year will remain at between 7 per cent and 8 per cent?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, one would have to be beaten with a stick to remember all the statistics thrown at one by the hon. member, and particularly by my department. I shall certainly look at the hon. member's question. The figures of saving are based on a series of figures to do with unemployment at particular levels.

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[*Translation*]

MANPOWER AND IMMIGRATION

REQUEST THAT SERVICES OF DEPARTMENT STAFF BE MADE AVAILABLE TO MEMBERS

Mr. Armand Caouette (Villeneuve): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

Can he tell the House whether we members of parliament can still rely on adequate service from civil servants of his department to help people who appeal to us?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, we have one of the greatest departments there is. It is made up of a dedicated group of men and women who give service to the public. If the hon. member has a particular case in mind and wants to bring it to my attention, I can assure him it will be investigated.

[*Translation*]

Mr. Caouette (Villeneuve): Mr. Speaker, I wish to ask a supplementary.

Can the minister explain to the House why my riding and particularly my office are not provided with the necessary services to help constituents who pay dearly through taxes? Furthermore, how come the requests by my constituents, which are transferred to the Montreal regional office, remain unanswered for such a long time? If the minister thinks it is because of a lack of personnel, can he undertake to remedy immediately the situation to provide justice to Canadian citizens and those from northwest Quebec?

Mr. Cullen: Mr. Speaker, I shall look into the situation described by the hon. member.

* * *

[*English*]

INDUSTRY

MEASURES TO INCREASE PRODUCTIVITY IN MANUFACTURING SECTOR—REQUEST FOR TABLING OF STUDY ON PRODUCTIVITY

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce, but in his absence I will direct it to the acting minister. Noting that Canada will have another disastrous trade deficit this year, the fourth consecutive trade deficit which this government has posted; noting that it has been the policy of this government to promote and finance turnkey operations off shore; and noting that in almost every instance those facilities are far superior to any we have in Canada and that we end up importing such production or competing with it in the international market place, I ask, what immediate steps is the government planning for increasing productivity in our manufacturing sector?

Hon. Len Marchand (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, I will have to take the hon. member's question as notice but want to assure him that the Canadian government is most interested in increasing its activities all over the world; these include various aspects of trade, turnkey operations and joint ventures. We are interested in increasing these activities.

Mr. Kempling: Mr. Speaker, may I ask the Acting Minister of Industry, Trade and Commerce a supplementary question? Noting recent unemployment figures, I ask, do you plan to table the study on productivity produced by your department for the DM-10 group? If so, when will we see it and will you refer it to a committee of this House for discussion?

Mr. Marchand: Mr. Speaker, I will take that question as notice and advise the hon. member.

An hon. Member: Are you the minister?

● (1430)

CONSUMER AFFAIRS

ALLEGATION FORMER MINISTER TRIED TO INFLUENCE AWARDING OF ADVERTISING CONTRACT—REQUEST FOR TABLING OF CONTRACTS WITH R.P.R. COMPANY

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. What substance, if any, is there to the report that the former Postmaster General and Minister of Consumer and Corporate Affairs tried to steer a $150,000 advertising contract to a personal friend in a Montreal advertising agency?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Mr. Speaker, the hon. member must be referring to an article in today's *Citizen* by Mr. Frank Howard which apparently sets out a careful review of internal departmental correspondence of my department. I certainly felt privileged to be able to read that correspondence in this article. I understand that a certain advertising contract that was recommended to Treasury Board was later returned from that place. I was asked whether I wanted to pursue it. I said I thought we would cancel that one and review our advertising policy.

Some hon. Members: Oh, oh!

Mr. Reynolds: In view of the fact that approximately 80 per cent of that company's business is with the government and because their only notable client is Sky Shops, will the minister table copies of all contracts between the RPR Company and the government?

Mr. Abbott: Mr. Speaker, I presume the hon. member is continuing to ask me about this question. As far as I know, this company is a reputable advertising agency. I do not think there is anything about it that is improper. I simply want to review the advertising policy of the department. That is all. There is no implied suggestion in what I said which would give rise to any of the implication the hon. member is trying to convey.

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ROYAL CANADIAN MOUNTED POLICE

REDUCTION IN PENSION OF CONSTABLE EUGENE HALE—REQUEST FOR ACTION TO RESTORE AMOUNT OF DECREASE

Mrs. Simma Holt (Vancouver-Kingsway): With your permission, Mr. Speaker, I wish to direct a question to the Solicitor General, the President of the Treasury Board and the Minister of National Health and Welfare.

Some hon. Members: Oh, oh!

Mrs. Holt: It is a very serious question, gentlemen. You would be concerned too. In view of the fact that the Canadian Pension Commission admitted error in raising the pension last March of former RCMP Constable Eugene Hale from 20 per cent to 100 per cent retroactively to 1969, through intervention of Senator Perrault, former Solicitor General, and myself, and now again have cut Hales back to 20 per cent or $128 a month because his wife, a practical nurse, is caring for him at home in Rossburn, Manitoba instead of a hospital, would you intervene—

Some hon. Members: Who?

Mrs. Holt: Either the Solicitor General, the President of the Treasury Board or the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Epp: Simma to the cabinet.

Mrs. Holt: Would you intervene to reverse this insensitive if not cruel and wasteful decision or, alternatively, if the regulations preclude intervention, would you act to correct such wrong-headed regulations? To the Minister of National Health and Welfare—

Mr. Speaker: Order, please.

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MANPOWER

REQUEST FOR STATEMENT ON MEASURES TO REDUCE LEVEL OF UNEMPLOYMENT

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. I want to take up the answer given by the Minister of Finance to the hon. member for Oshawa-Whitby in which he described our present unemployment as largely of a regional structure and therefore not susceptible to correction by macro-economic policies. Given the high level of unemployment in Atlantic Canada, as revealed in statistics released today or yesterday, will the minister be making a statement on motions outlining what additional measures he will be introducing to reduce and eliminate the tremendous economic waste and human misery associated with the high levels of regional unemployment in the Atlantic provinces?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, it is precisely as a result of our concern for that particular area of high unemployment that agencies such as DREE and LIP are set up. They are heavily weighted in favour of high unemployment. Our Manpower consultative services are on the spot and available to meet with management and unions where difficulties occur. When in some areas of the LIP program there is a slippage of funds, we endeavour to push them into areas where they will be of most assistance.

INACCURACY OF UNEMPLOYMENT STATISTICS USED AS BASIS FOR LIP GRANTS

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I find the minister's answer highly unsatisfactory as these agencies have been there for a long while and our

unemployment keeps increasing. As the Minister of Industry, Trade and Commerce is finally going to get around to correcting the gross national product statistics, will this minister look at the terribly inaccurate unemployment statistics used by his department to slash LIP grants to the Atlantic area this year?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, this is an ongoing problem that we have each year trying to determine the appropriate and fair method of computing the amount of LIP money that should be put into a particular region. I can say that complaints come from both sides of the House. In one region of a province a million dollars may be made available and in another corner of it some $250,000. However, if we suggest other methods, we are told they smack of patronage and are subject to attack. It is something we have to look at. The criticism is well founded, but it does not come only from the hon. member.

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AIRPORTS

METHOD OF ALLOCATING CAR RENTAL CONCESSIONS—GOVERNMENT POSITION

Mr. Jack Horner (Crowfoot): Mr. Speaker, I wish to direct a question to the Minister of Transport. It has to do with car rental concessions at MOT airports. In allocating Tilden, the third highest overall bidder, to a domestic counter and forcing them to take fifth place in the allotment of these counters, is the minister not creating a second class citizen out of this domestic car rental agency?

Hon. Otto E. Lang (Minister of Transport): No, Mr. Speaker, clearly not because the bid from Tilden which was accepted was in the domestic category. The ranking of counters was according to the value of the bids accepted, as had been stated in the pretendering documents, and the Tilden bid was fifth.

Mr. Horner: As I understand the situation, Mr. Speaker, the Tilden bid was third in overall bidding for the nine airports. In many of the individual airports, it was third or better. Either the minister is not aware of the facts or he is misleading the House.

Some hon. Members: Oh, oh!

Mr. Lang: Mr. Speaker, let me try to help the hon. member understand the facts. The Tilden Company put in two bids, one in the open category and one in the domestic category. The bid which was accepted in the evaluation of the overall best returns from the car rental system, which is also dealt with in the pretendering document, was the Tilden bid in the domestic category. That bid was fifth. The other bid would have ranked higher but it was not the accepted bid.

Mr. Horner: Mr. Speaker, the regulations put out by the minister when he called for tenders state as follows:

Counter space within the terminal building will be leased to car rental concessionaires for the term of their agreement with the location preference in accordance with the offers received, i.e., the highest bidder will have the first choice, the second bidder will have the second choice, the third bidder will have the third choice, and so on.

Mr. Speaker: Order, please.

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NATIONAL CAPITAL COMMISSION

AMOUNT REQUESTED BY EMPLOYEES OF STATISTICS CANADA FOR INFORMATION

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. Yesterday the minister's parliamentary secretary admitted outside the House of Commons, consulting the minister's briefing book for his source of information, that StatsCan employees, whom we have been discussing in the minister's absence for the past few days, attempted to sell material to the National Capital Commission. Will the minister tell the House whether that statement is true and, if so, the amount requested in the offer to sell this information to the National Capital Commission?

• (1440)

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I very carefully read the answer given by the parliamentary secretary which is recorded in yesterday's *Hansard*. Unfortunately, I cannot find the information that the hon. member seems to have given. I should say that my predecessor had already answered such a question and the parliamentary secretary has taken a position that I approve in every way.

[*English*]

Mr. Baker (Grenville-Carleton): A supplementary question, Mr. Speaker. It is regrettable that the quality of the minister's answer did not match the quantity of applause that he received when he rose. My question was clear. There has been a statement made by his parliamentary secretary that this information was sold. That statement is made in the press today. It is not in *Hansard*. My question is, is that so? If the minister does not know the answer will he find out; and if it is so, what was the price asked for that information? That is the question.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I was referring to the remarks made by the parliamentary secretary to the House of Commons and the information at my disposal. With regard to the amount disclosed outside the House, if the parliamentary secretary mentioned an offer of $250, that is accurate and I can confirm it.

[*English*]

REASON FOR FAILURE TO NOTIFY POLICE OF ATTEMPT BY STATISTICS CANADA EMPLOYEES TO SELL INFORMATION

Mr. Walter Baker (Grenville-Carleton): A final supplementary question. That is hardly an answer. In view of the statement also attributed to Mr. Robert Desramaux, assistant chief statistician, in which he says that if those people involved had been compiling their data in the form of estimates and selling them—and that is the issue in this matter—it would be a criminal offence, would the minister inform the House why it was decided not to call in the RCMP directly when this was ascertained, rather than following the practice of allowing a letter to be written by the then chairman of the NCC to the chief civil servant at the time, Mr. Gordon Robertson? Why was the bureaucratic route chosen in this particular matter rather than calling in the RCMP, in view of what has been stated to be the state of the law and if such an offence occurred?

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I cannot presume the judgment made at that time by this senior official. I think that the action he took was quite logical and worthwhile and that the hon. member should accept it as something he had to do.

* * *

[*English*]

EXTERNAL AFFAIRS

ALLEGATION CANADA SEEKING FRENCH DESIGNED ICEBREAKER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Secretary of State for External Affairs. My question arises out of press reports last week which implied that the Canadian government was in fact actively negotiating with French officials with respect to the purchase by Canada of a French designed nuclear powered icebreaker. In reply to a question on the subject from my colleague from Esquimalt-Saanich the minister said that he had not seen the report. Has he now had an opportunity to read through these reports, and can he without any equivocation indicate that the government has no intention of going offshore for the design and construction of ships capable of operation north of 60 degrees?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, may I first of all thank the hon. member for having given me notice. I have not personally seen this news report. I have asked whether anybody else has and perhaps the hon. member would be good enough to let me see a copy of it. I can certainly assure him on the second part of his question that there was no involvement and none is anticipated in regard to the purchase of an icebreaker offshore.

I should like to explain that the situation is that an icebreaker is being designed in Canada. Government officials or perhaps I should say technicians are seeking to determine whether or not it will have a conventional power plant or a nuclear power plant. It was in relation to the possibility that a nuclear power plant might be used that the French people made representations regarding provision of that power plant. But no decision has been made as to the kind of power plant that will be used, and that is where the matter rests at the present time.

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TRANSPORT

DEVELOPMENT OF NUCLEAR POWER PLANT FOR ICEBREAKER—GOVERNMENT POSITION

Mr. J. M. Forrestall (Dartmouth-Halifax East): One brief supplementary question, Mr. Speaker. I appreciate that response, particularly in light of the plight in which Canadian shipyards find themselves, or will next year. Might I direct my supplementary question to the Minister of Transport in the absence of the Minister of Industry, Trade and Commerce. I should like to ask the minister what particular pressures are being brought to bear by his authorities respecting the development in Canada of the necessary technology to get on with the development of our own nuclear capacity to provide a power plant that we might desire to use in marine vessels north of 60 degrees?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, to this point we have been doing preparatory work on the feasibility of such an icebreaker powered by nuclear power. Until those phases are complete it would be premature to attempt to conclude where the necessary technology could be found.

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CITIZENSHIP ACT

REASON FOR DELAY IN PROCLAIMING ACT AND REGULATIONS

Hon. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Secretary of State whether he would inform the House why the delay in proclaiming the New Citizenship Act which was given royal assent last summer, and when publication of the regulations under this new Act may be expected?

Hon. John Roberts (Secretary of State): Mr. Speaker, I share the hon. member's regret that we have not yet been able to proclaim the Act. The delays are a result of the problem of drafting the regulations and translation. I very much hope that we will be able to proclaim the Act within the month of February.

ELDORADO NUCLEAR LIMITED

EFFORTS TO SETTLE STRIKE—EFFECT OF STRIKE ON STOCKS OF URANIUM OXIDE AND DEVELOPMENT OF MARKET FOR URANIUM HEXAFLUORIDE

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, Eldorado Nuclear Limited, a Crown corporation, has the monopoly in this country for production of nuclear fuel and its employees are on strike. It reports to the House through the Minister of Energy, Mines and Resources so my three part question to him is this. First, what specifically is the minister doing to end this unfortunate work stoppage? Second, in view of the recurring rumours floating around that reserve stocks of UO_2, which is uranium oxide, is at a very dangerously low ebb, would he mind telling the House today what these reserve stocks are composed of? Third, how will a long strike affect the government's plans to break into the uranium hexafluoride market?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, on the first point I am told that officers of the company and the union met for many hours into the very early hours of this morning trying to reach an agreement. So far no agreement has been reached but I think there is some reason to believe that the parties wish to reach an agreement and there will be a further meeting in the very near future.

As to the question concerning dangerously low levels of uranium oxide, I have not got that information but I have been assured that even with a fairly prolonged strike there is sufficient uranium oxide to look after existing requirements.

On the third question respecting uranium hexafluoride, I do not have a specific answer. I think this has to be seen rather as a temporary setback, but I do not think it will in any way affect the progress that Eldorado is making in its sales promotion efforts.

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EXTERNAL AFFAIRS

DISCUSSIONS WITH FRANCE CONCERNING SALE OF NUCLEAR REPROCESSING PLANT TO PAKISTAN

Mr. James Gillies (Don Valley): Mr. Speaker, I have a question for the Secretary of State for External Affairs which follows along the questions asked yesterday by the hon. member for St. Hyacinthe regarding the conversations that the minister had in France on nuclear expansion. Can the minister tell the House whether he had any specific discussions with the French government about the possibility of the government of France selling to Pakistan a device for reclaiming plutonium fuel from the Canadian nuclear reactor.

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I will do my best to be as informative as I can while respecting to some degree the confidentiality of the discussion with the foreign minister.

First of all, the question of sales to Pakistan did arise. I inquired as to whether the new policy as outlined about three weeks ago by France now precludes the sale. The answer I was given was it did not, and France felt that it had an obligation and a contractual commitment to sell the reprocessing plant to Pakistan. Whether that sale will go through, of course, I have no way of knowing.

• (1450)

In so far as Canada is concerned I think the hon. member knows we are in the process now of negotiating with Pakistan in relation to continuing co-operation with regard to the reactor which is presently in place there and the supply of fuel. So far, we have not come to any satisfactory solution through these negotiations but they are continuing and I hope that something positive will come out of it within the next little while.

Mr. Gillies: Mr. Speaker, did the Secretary of State for External Affairs communicate to the government of France that if the government of France sold a reprocessing plant to Pakistan that Canada would not go ahead with the supply of a nuclear reactor and nuclear fuel to Pakistan?

Mr. Jamieson: Yes, Mr. Speaker; I think I can say that. I did not couch it in precisely those words but the meaning was perfectly clear. I indicated we were much opposed to the idea of Pakistan acquiring a reprocessing plant and that our continued co-operation with Pakistan would be affected and affected very adversely if in fact they acquired the reprocessing plant. I was not unequivocal to the nth degree because of the negotiations which are now going on to see if safeguards and the like can be negotiated with Pakistan, but as at the moment I report to the House that no such agreement has been reached.

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CONSUMER AFFAIRS

APPLICATION OF BELL CANADA FOR RATE INCREASE—POSSIBILITY OF GOVERNMENT SUPPORT

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. I am sure the minister has received the material from Bell Canada backing up its proposed application for a rate increase, as have all other members of parliament. I would put the question to the minister as spokesman in this House for consumer interests, will the Minister of Consumer and Corporate Affairs be supporting such an application for a rate increase now that he has had time to study their precise application?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Well, Mr. Speaker, like the hon. member I have received the material from Bell Canada but unlike the hon. member I have not had time to read it.

Mr. Grafftey: Mr. Speaker, since this is a very important matter for all consumers in Canada, and since Bell Canada has a relatively monopolistic position in this regard, will the minister assure the House that he will read this documentation very soon and report to the House whether or not he supports this application for an increase.

Mr. Abbott: Well, Mr. Speaker, I certainly expect to read the material as it does have a very important impact on the consumers, at least in this part of the country. As to whether I would appear in the House and give an opinion I doubt very much that I would, unless questioned, but we will be looking at it and if it does have an inappropriately adverse effect on the consumers I will certainly make my views felt here or elsewhere.

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INDIAN AFFAIRS

POSSIBLE EXTENSION OF INDIAN FISHERMAN'S ASSISTANCE PROGRAM OR REPLACEMENT OF PROGRAM

Mr. J. R. Holmes (Lambton-Kent): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It is related to the Native Brotherhood of British Columbia and their concern for the future of the estimated 1,500 native fishermen from the province. I would like to ask the minister if he is now in a position to indicate if he will extend the Indian Fisherman's Assistance Program to March 1978.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, that matter is now under review. It is my intention to go to Prince Rupert in a couple of weeks and meet with the Native Brotherhood. I would hope to have an answer at that time.

Mr. Holmes: Mr. Speaker, to ensure the future stability of the native fishing industry the minister's predecessor indicated to the Native Brotherhood of British Columbia that he would support a replacement economic development program for their industry. I should like to ask the minister what progress has been made in developing the program and specifically if he can indicate when he will announce the details of the program.

Mr. Allmand: Mr. Speaker, that is part of the review to which I referred. I hope to have something to announce when I go to British Columbia and meet with the Native Brotherhood.

* * *

ENERGY

GOVERNMENT POSITION ON CONSTRUCTION OF INTERPROVINCIAL TRANSMISSION LINES

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Has the Government of Canada decided whether or not it will exercise its constitutional powers under the BNA Act to permit the construction of energy transmission lines across the territory of a province to permit interprovincial transmission of hydro energy from one province to another even if the intervening province objects as for example from Newfoundland and Labrador to the Maritimes or to Ontario across Quebec with or without the consent of that province and in a similar manner to oil and gas pipelines which the minister said he favoured in July when he made a visit to Labrador. Is that now government policy or what has happened to his opinion on that?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I answered a question yesterday for one of the colleagues of the hon. member in which I indicated there were a number of matters which were under consideration at the present time with a view to bringing on the power of the Gull Island potential site which one would hope would provide power to Newfoundland, parts of Labrador and the maritimes as well. But I am not at this particular moment in time able to state the details of those considerations.

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FINANCE

PROPOSED REACTIVATION OF CAPITAL WORKS PROGRAM—POSSIBILITY OF DISCUSSION WITH PROVINCIAL MINISTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Finance whether at the forthcoming meeting of the federal-provincial ministers of finance he will consider proposing the reactivation of the capital works projects between the federal government and the provinces in order to have an immediate impact on the high rate of unemployment.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, that subject will not be on the agenda. The agenda will be related primarily to the fiscal relations between the provinces and the federal government as now covered by legislation which will expire at the end of March 1977. However, there will undoubtedly be a general discussion of the economy at that time and it will be of extreme value to the Government of Canada to get the appreciation of the various treasurers and finance ministers on appropriate measures to deal with the economy in general terms.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—DISCUSSION OF HOUSING PROGRAM WITH PROVINCES AS MEANS OF STIMULATING EMPLOYMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in view of the very high rate of unemployment will the minister consider getting the question of unemployment put on the agenda and would the minister, together with his colleague the minister in charge of housing, look at the program now in

operation in the province of Manitoba which provides for large-scale renovations and repairs of housing for senior citizens and people in the low income brackets and extending that to the country as a whole as a means of getting people back to work.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I appreciate the second part of the hon. gentleman's question and I will make a point of inquiring further about that program to which he has referred.

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NATIONAL DEFENCE

ABSENCE OF HELICOPTERS FROM TRENTON—GOVERNMENT ACTION TO REPLACE

Mr. J. R. Ellis (Hastings): Mr. Speaker, I should like to direct a question to the Minister of National Defence after our discussion last week about helicopters. Will the minister explain why this morning there is not a single helicopter left at the Canadian forces base Trenton?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, I think if the hon. member goes to or phones Trenton he will find there is a Hercules, a Buffalo aircraft and two Huey helicopters moved in to reinforce from Petawawa as I said would happen.

Mr. Ellis: Mr. Speaker, I appreciate the lightning swift response probably in anticipation of my question. Now, can the minister tell us when he intends to move back the air-sea rescue helicopters which should be there?

Mr. Danson: Mr. Speaker, these Huey helicopters have an air-sea rescue capability. The helicopter that was there is being refitted for night operation and that is the reason it was out. This was the purpose of this operation. The armed forces acquitted themselves admirably and the hon. member for Hastings is very much aware of this as well.

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MANPOWER

TRAINING PROGRAM FOR CONSTRUCTION WORKERS IN CAPE BRETON—REQUEST FOR REPORT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. Because of the high rate of unemployment in Nova Scotia and particularly in Cape Breton Island, my question refers to a statement by Labour Minister Walter Fitzgerald of Nova Scotia who has stated that a massive training program involving 3,000 workers would be launched this fall to provide qualified construction workers for a major new steel complex in Cape Breton. On the assumption that the minister is aware of such a program because of Mr. Fitzgerald's assertion that discussions have taken place with the minister's officials, would he be good enough to advise if he himself has been involved in these discussions and would he also inform the House how soon such a program will commence?

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I will have to look into that. From the sound of it the contact has been made at the official level.

• (1500)

Mr. Muir: Would the minister be good enough to advise us either in the House, by telephone, by mail or in person, that his program will start the day after tomorrow or as quickly as possible?

Mr. Cullen: Before I communicate with the hon. member I would like to find out what it is all about.

* * *

AGRICULTURE

POSSIBILITY PURCHASES OF CHEMICAL SPRAYS AND FERTILIZERS FROM UNITED STATES PROHIBITED

Mr. John Wise (Elgin): My question is directed to the Minister of Agriculture. It stems or is caused by rumours to the effect that measures will soon be taken by this government to prohibit Canadian producers from making direct purchases for their own use of chemical sprays and fertilizers from United States outlets. Canadian producers have to compete directly in the marketplace with their United States counterparts. Such a move would create further difficulties for Canadian producers, and savings of up to 25 per cent and 30 per cent would be lost. Can the minister indicate now what the government's intentions are with respect to this very important matter?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have received no official representation that I am aware of from any producers' organization about this but, as I said before, before any decision is made I will meet with official farm organizations to discuss it with them. It is a two way street. If farmers want to place embargoes and duties on products they are producing in this country and we want to build a chemical industry, we must also ensure it has some protection so it can exist.

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AWARDS AND DECORATIONS

ELIGIBILITY OF MOTHERS AND WIDOWS OF NEWFOUNDLAND SERVICEMEN FOR MEMORIAL CROSS

Mr. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of National Defence. Can the minister advise what progress is being made toward making widows and mothers of Newfoundland and Labrador servicemen killed while serving with the Canadian

and allied forces eligible to receive the Memorial Cross award?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, before I answer the question I should like to point out that it was the hon. member for Prince Edward-Hastings who has shown an interest in the situation at Trenton. I believe I used the wrong constituency.

With respect to the question put to me by the hon. member for Grand Falls-White Bay-Labrador, let me say that certainly the representations he has made have been listened to. An order in council has been passed and a press statement will be released this afternoon announcing that widows and mothers of Newfoundland servicemen killed while serving in the allied forces during the wars will receive the Silver Cross award. An armed forces plane is going out for four widows, and, I believe, one of the mothers who will be in Ottawa for the Armistice Day ceremonies on November 11. We are proud and pleased to honour them as they deserve to be honoured.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the question that was asked a short while ago by the hon. member for Vancouver-Kingsway (Mrs. Holt). I realize that Your Honour felt the question was taking rather too much time, but as one who is also very familiar with the case of former RCMP constable Eugene Hale, it seems to me that an answer to the question should have been permitted. I hope that you will now permit the Solicitor General (Mr. Fox) or the Acting Minister of Veterans Affairs to give an answer to this quite important and very serious question.

Mr. Speaker: Or the Prime Minister (Mr. Trudeau) or the Minister of National Health and Welfare (Mr. Lalonde). Order, please.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Second report of Standing Committee on Finance, Trade and Economic Affairs—Mr. Cafik.

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

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

[Mr. Rompkey.]

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 69, 100 and 114.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

Mr. Speaker: Is it agreed that the remaining questions shall stand?

Some hon. Members: Agreed.

[*Text*]

RADIO-CANADA INTERNATIONAL

Question No. 69—**Mr. Cossitt:**

1. Did Mr. M. Mogiljansky, Head of the Russian section of Radio Canada International write a letter dated May 25, 1976, to Dr. F. Yaroshevsky of Toronto, a member of the Russian section of Radio Canada International, in which he quoted the following from a memo written by Mr. L. C. Chipman, Supervisor of East European Programming, as follows: "The Director has asked me to look into the charge reiterated by External Affairs that Yaroshevsky, apparently last fall, . . . reported on a demonstration of an anti-Soviet nature that had taken place in the city: the suggestion was that Yaroshevsky had concocted the demonstration so that he could report it" and, if so (a) what are the names and job designations of the persons in External Affairs who made such representations or charges to Radio Canada International and for what reason were they made (b) what is the name and description of the highest ranking person in External Affairs authorizing such representations or charges?

2. (a) How often since April 20, 1968, has External Affairs made representations to Radio Canada International on what it should or should not broadcast to the Soviet Union or to other Communist countries (b) have any such representations been made as a result of complaints received from representatives of the Soviet Union and, if so, what are all details and who made such representations?

3. Were the charges against Dr. Yaroshevsky subsequently proven false and (a) if so, has he received an apology from External Affairs (b) if not, for what reason?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Canadian Broadcasting Corporation and the Department of External Affairs as follows: 1. Yes, however, Dr. Yaroshevsky is not a member of the Russian section nor an employee of Radio Canada International, but a freelance contributor in Russian to the section's program. As for the charge against Dr. Yaroshevsky, it was not advanced by External Affairs but by a former RCI employee. No such charge has ever been made or reiterated by the Department of External Affairs. (a) and (b) Not applicable.

2. (a) We have no record of representations having been made by the Department to Radio Canada International on what it should or should not broadcast to the Soviet Union or to other communist countries. The Department is prepared to and does receive officials of RCI to discuss questions that may be of mutual interest. It does not, however, seek to influence RCI's programmes in any way whatsoever. (b) No such representations have been made. RCI is required to consult with the Department of External Affairs pursuant to Order in Council PC 1968-525, dated March 19, 1968 which directs the CBC "to provide, in consultation with the Department of External Affairs, an International Service. . .". The Department of External Affairs routinely informs Radio Canada International of any complaints about programs received by

the Department, whether from foreign nationals abroad or foreign diplomats in Canada. This is done for the information of RCI and material for reply is provided by RCI, either verbally or in writing, to be passed on at the discretion of the Department of External Affairs to the person or official who complained. No directives are received by Radio Canada International from the Department of External Affairs as to what should or should not be broadcast to any country. A frank review of criticisms received from abroad is normal procedure.

3. Dr. Yaroshevsky's denial was conveyed to the Director of RCI and accepted by him. Dr. Yaroshevsky is still a contributor to RCI programs. There is no proof that he concocted demonstrations in order to report on them. (a) and (b) Not applicable.

UIC—RETIREMENT CLAIMS AND APPLICATIONS FOR CANADA PENSION PLAN

Question No. 100—**Mr. Cossitt:**

1. How many retirement claims have been filed with the Unemployment Insurance Commission in each of the past two years by applicants just prior to their going on the Canada Pension Plan and what is a breakdown of these in each Region of the Commission?

2. How many applications for the Canada Pension Plan from those retiring from the work force were received during the same period of time?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): I am informed by the Unemployment Insurance Commission and Health and Welfare Canada as follows: 1. Statistics are not maintained for applicants just prior to their going on Canada Pension Plan. However, the number of retirement claims (not in receipt of CPP/QPP) is available in Statistics Canada Publication No. 73001 entitled Statistical Report on the Operation of the Unemployment Insurance Act.

2. Fiscal Year 1974-75, Number of Applicants 93,867; Fiscal Year 1975-76, Number of Applicants, 113,391. The above figures represent all applications for retirement pensions in these two years. As the Canada Pension Plan legislation does not require a person to be retired from the work force in order to be eligible to receive a retirement pension, it is not possible to answer the question within its specific context.

RESIGNATION OF SOCIAL DIRECTOR, VETERANS' HOSPITAL, VICTORIA, B.C.

Question No. 814—**Mr. McKinnon:**

Is the Social Director for the Veterans' Hospital in Victoria (Mr. Cassels) due to retire in the spring of 1977 and, if so, has the Department of Veterans Affairs made plans to replace him or to continue employing him on a part-time basis?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): No.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order with respect to the answers given during the question period. Normally I would not raise this matter except for the remarks of the Parliamentary Secretary to the Minister of Energy, Mines and Resources yesterday evening. I have a number of questions on the order paper relating to plans for the development of a uranium refinery in the province of Saskatchewan. I have had these questions on the order paper for a considerable period of time, but no anwers have been forthcoming. An allegation was made yesterday by the parliamentary secretary that I was misleading my constituents on this issue. I would ask the parliamentary secretary, who is in charge of responding to these questions, to ask the minister for answers to the questions so that I will not be accused of misleading people in Saskatchewan.

Mr. Goodale: Mr. Speaker, with all questions we proceed as quickly as we can to provide the answers which hon. members are seeking. In this case we will proceed as diligently as we can to obtain the information for the hon. member.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North (Mr. Orlikow) to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the revelation today that unemployment has reached the highest level in 15 years and will increase even further in the coming winter, resulting in having the highest number of Canadians unemployed since the great depression.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent) has given the Chair notice, pursuant to Standing Order 26, of his intention to move the motion. That has, of course, given the Chair the opportunity, as the Standing Order anticipates, to give the matter some consideration. Standing Order 26 reads as follows:

Leave to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration—

Certainly, that language would indicate that a matter such as unemployment or any other matter of national concern would fall into that category. However, the practice and precedents in the House have indicated that the primary consideration which should govern the decision of the Chair in reference to this Standing Order is not so much whether a matter is one of continuing concern but, specifically, whether it is of critical proportions and constitutes a crisis as opposed to being chronic. While the matter of unemployment can scarcely be brushed aside as not qualifying under the opening paragraph of Standing Order 26, I am sure hon. members

would agree that it is a matter of continuing concern as opposed to one of crisis proportions.

I am guided, in addition, by another factor, namely, that under paragraph 5 of the Standing Order the Chair must always take into account whether or not the problem is of such a nature that it is likely to be discussed in some other way. Certainly, having just completed the debate on the Speech from the Throne, one can scarcely say there has not been recently a fresh opportunity to discuss in fullest amplitude the problem of unemployment. Between now and the few weeks that remain before the end of the first trimester, a number of opposition days have been set aside, and I would be surprised, as I am sure all hon. members would, if at least on one occasion the matter of unemployment statistics, figures and the situation generally were not discussed.

Therefore, I would have to hold, in the first instance, that rather than being a matter of urgent consideration, unemployment is one of continuing concern; and second, even if the motion were to succeed under the first heading, under paragraph 5 of the Standing Order there was an opportunity during the throne speech debate, which was recently concluded, and there will be an opportunity during opposition days to discuss this matter. Therefore, I do not feel that the matter ought to be given special consideration, pursuant to this rule.

● (1510)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO PROVIDE FOR OPEN DISCUSSION ON FUTURE TRADE POLICY

Mr. Sinclair Stevens (York-Simcoe) moved:

That this House urges the government to discontinue its propensity to act in secret and, without restricting the generality of the foregoing, condemns its failure to provide for an open public discussion on future Canadian trade policy and to report to the Canadian people on its policy and progress respecting GATT negotiations now being carried on in Geneva and which will undoubtedly culminate in dramatic changes in world trade patterns.

Mr. Speaker: The House should note that in accordance with Standing Order 58(9)(a), not later than 9.45 this evening every question necessary to dispose of proceedings pursuant to this motion shall be put.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in rising to speak on this motion I feel that I should first put today's debate into its proper context. I believe it is important that when we discuss the question of secrecy on the part of this government and the questions of trade, GATT and the International Monetary Fund, we must remember that there have been many worldwide meetings dealing with the important subject with which we are going to deal today. There have been many international meetings, particularly with respect to the question of international trade and international monetary matters.

Hon. members will recall that there have been meetings in Geneva, Jamaica, Paris and Manila. There have been several meetings in Geneva and in Washington, and to date this government has never come to this House or to the people of Canada and clearly outlined exactly what transpires at these lofty international meetings to which we have become parties. I believe that what is being agreed to at many of these meetings is of great significance to Canadians. We in the House will be asked to respond to various legislative matters as a result of those agreements, and this government should give this House some explanation as to what it sees in the future for the Canadian trade position in the world. That is the reason we suggested this debate today.

Many speeches have been made decrying the tendency of this government to be secretive. Nowhere has that tendency shown more than on the tremendously significant questions of international monetary conditions and international trade. Just look at the disdain this government has for the House of Commons. Look at the benches opposite.

Some hon. Members: Shame!

Mr. Stevens: Where is the Minister of Finance (Mr. Macdonald), who is in charge of GATT negotiations in Geneva at the present time?

Mr. Baker (Grenville-Carleton): Hiding somewhere.

Mr. Stevens: Where is the Minister of Industry, Trade and Commerce (Mr. Chrétien), who should be interested in this debate because it touches on trade?

Mr. Baker (Grenville-Carleton): Out decentralizing some government department.

Mr. Stevens: Where are the various ministers who are not in attendance as we begin this debate? For some reason there is a strange contrast between what our neighbours, the Americans, do with respect to their trade negotiations and what we in Canada do with respect to our rather secretive approach. The fact is that before the United States enters into such things as the Geneva discussions with respect to amending the General Agreement on Tariffs and Trade, they secure an act of Congress setting out the parameters of the negotiations and exactly what the negotiators may and may not do.

With regard to the present negotiations which are under way in Geneva and which are generally referred to as the Tokyo Round, on January 3, 1975, the American Congress passed the trade act of 1974. Surely it is time the Canadian public became aware of the second last section of the American trade act of 1974. How many in this House, and how many Canadians realize that in section 612 of the American trade act, passed in anticipation of current negotiations in Geneva, the American Congress authorized the President of the United States to enter into a free trade agreement between Canada and the United States? For the record, let me record

section 612, which is entitled "Trade relations with Canada". Incidentally, we are the only country singled out in this act for specific comment. That section provides:

It is the sense of the Congress that the United States should enter into a trade agreement with Canada which will guarantee continued stability to the economies of the United States and Canada. In order to promote such economic stability, the President may initiate negotiations for a trade agreement with Canada to establish a free trade area covering the United States and Canada.

We know where the United States Congress stands with regard to free trade with Canada. What we do not know is where our own government stands with respect to such free trade. That is why we are having this debate today—in the earnest hope that perhaps we in this House will hear about some of the policies and some of the thrusts the government hopes to take in Geneva. It is strange that private negotiations are going on in Geneva in which the Americans have empowered their negotiators to enter into free trade with Canada, yet the Trudeau administration has given no indication of how it intends to deal with this important issue.

The concept of free trade is not new in Canada. The most recent advocate of such an agreement was the Economic Council of Canada which produced a report entitled "Looking Ahead". I presume most hon. members have read it. That report was produced more than a year ago, yet we who are vitally affected by this question must wait on the sidelines while the government stalls, sits silently and, presumably, searches for a policy with respect to free trade and the trade policy Canada should be following. The question of free trade is too important to be left to one party, or even to one government. The magnitude of a decision of this kind is too great. The fact is that we need nothing less than an ongoing discussion between the people and those who negotiate on their behalf.

Let us look at the American approach with respect to international trade, and how their approach differs from ours. As I have stated, in the United States the President is empowered to enter into actual trade negotiations not only with respect to the GATT negotiations but to secure a free trade area with Canada. In that context, however, we find that the president is instructed by Congress to appoint an advisory committee to deal with trade negotiations. This is mandatory, Mr. Speaker. The committee is to include representatives of government, labour, industry, agriculture, small businesses, service industries, retailers, consumer interests and the general public.

● (1520)

What do we have in Canada, that is similar to this advisory committee, to enter into the type of negotiations our government has entered into in Geneva? We have Donald Macdonald in Ottawa, Rodney Grey in Geneva, and a silent band of seven. In these gentlemen we may have the best negotiators in the world, but surely they should not be working in such splendid isolation. I suggest this is akin to a lawyer taking a case and refusing to see his client. Believing he knows best, he wants to work on the case alone, with a free hand, totally ignoring that what he negotiates might not be suitable to his client. To date, the government has been silent on our position at Geneva. Deals are being made, and we know that; but there is little review or discussion with those who would be most affected, the farmer, the miner, the logger, the manufacturer, and the consumer. How strange that we should learn, not from our own government but from the Americans, that there is a Canada-United States free trade proposition now being discussed in Geneva.

American trade negotiations began with Congress passing the trade act to which I have referred. As I have stated, this legislation sets out their approach to trade and authorizes negotiations. Let us remember, Mr. Speaker, that when the President of the United States enters into such negotiations on behalf of that country, he must consult with committees in both the Senate and the House of Representatives before entering into any trade agreement which provides for the reduction or elimination of a barrier to international trade.

Mr. Speaker, do we hear the Minister of Finance, the Prime Minister (Mr. Trudeau), or the Minister of Industry, Trade and Commerce, proposing any reference to our standing committees so that we may review the trade policy of this nation, or that we may review such things as current international monetary conditions? The answer is no, we do not. On the other hand, the Americans, by an act which they passed, require public hearings; and they also require the President to establish the advisory committee to which I have referred which is made up of representatives of every sector of the economy.

There is no similar approach in Canada, yet millions of Canadian jobs, Canadian prices and the future of our economy may be affected by a simple order in council under the authority of section 10 of the Customs Tariff Act. All we know about it in this parliament is when the accomplished fact is presented, without debate and without any real, prior consultation. When I discussed this matter with a businessman, he said, "It is a terrible feeling to know I might be wiped out by an agreement in Geneva, not only without any change to state my views, but I will not even know it has happened until the deal is signed."

An hon. Member: Are you for, or against?

Mr. Stevens: Mr. Speaker, that is the point. We in this House are not told enough to know whether we are for, or against, what the government is doing.

Some hon. Members: Hear, hear!

Mr. MacFarlane: You had better change your detective firm, then.

Mr. Stevens: It is time that some of those silent mouths who sit on the government backbenches become disturbed when they see unemployment rising as it did this month. It is time that those silent mouths that might like to, but cannot, speak when they think they are not being noticed. It is time they got aroused and realized that the "whizz kids" on the front

benches are not "whizz-kids" at all. In fact, they are totally inept at running this country.

Mr. Hees: Where are they? It is an insult to parliament that none of them are around.

Mr. Stevens: Mr. Speaker, I note that there is only one minister in the House, the Solicitor General (Mr. Fox), who is presumably going to reply to what I am saying. I notice a former minister, the hon. member for Eglinton (Mr. Sharp), who seems to be very keen to get into the debate. It may be that he intends later today to preach for a call back to being finance minister.

Mr. Hees: I just heard him say it was not like this in the old days.

Mr. Stevens: Since the issue of free trade is today very much a question of what is really the response of the Canadian government to the United States trade proposal, and is very much a question of this government's response to the report of the Economic Council, we in this House and the country should be the first to know where our government stands on this important question, and not the last.

I should like to take this opportunity of asking the government where our learned negotiators stand. What course are they charting for us without the benefit of any parliamentary counsel or consent? I believe this House should appoint a permanent advisory committee on trade negotiations, comprised of representatives from all sectors of the economy, to work closely with the government on all matters of international trade negotiations. Such a committee would be required to report to parliament on impending major trade negotiations and have the benefit of the feelings of this House on such negotiations.

I would suggest that in addition to having members from the general public, such committee should include representatives of consumer groups, retailers, small businesses, manufacturers, miners, labour interests, provincial governments and the regions of Canada. In short, it should be a meaningful advisory council to which the government and this parliament could turn for guidance on what is the proper trade position for the country.

In view of the government's admission in the working paper entitled "The Way Ahead", and the Speech from the Throne, that it can no longer unilaterally dictate answers for the problems of the seventies, and that it will seek a new era of public consultation and participation, perhaps it will see the merit of the suggestion I have just made. We cannot afford to have this inept government act in secret any longer. Their whims are not enough, when trade patterns are being set that may have far-reaching results for Canadian working people, businessmen and consumers.

I have mentioned what the government might do if it is serious about seeking a new public consensus. Let me touch briefly on what it certainly has not done to date. Neither the paper "The Way Ahead" nor the Speech from the Throne mentioned in any real manner this country's worsening trade position. Last year Canada had an over-all trade deficit of $5 billion and a manufacturing deficit of $10 billion. Strangely enough, the government feels that it does not have to spell out these economic facts of life at a time when the most far-reaching trade agreements in the history of GATT are being negotiated in Geneva.

• (1530)

To put these negotiations in perspective, let me repeat that the Bank of Canada *Review*, which highlights the magnitude of our current international trade imbalance, estimates the 1976 deficit of OECD countries to be about $20 billion. Of that total deficit in current account and trade balances, this country alone will incur the astonishing proportion of 25 per cent. Mr. Speaker, 25 per cent of the total deficit which all OECD countries expect to run up this year will be incurred by Canada. Ours will be the largest single deficit among OECD nations listed in the *Review*.

Contrast this figure with that applying to the United States, a country about nine or ten times our size. It anticipates a deficit of about $3.5 billion, France anticipates a deficit of $2.75 billion, and the United Kingdom a deficit of $2.5 billion, half the size of ours. At the same time, Germany and Japan will run up surpluses. The OPEC countries, the petroleum exporting countries, contemplate a surplus this year of $51 billion. The non oil-producing countries expect a deficit in the region of $21 billion. Other countries will run up a deficit of $13 billion. According to reported figures, the total world deficit will equal about $3 billion.

In short, we are in this situation: two industrialized nations, Japan and Germany, will have a surplus. The largest surpluses are being run up among the OPEC nations and the rest of the world, led by Canada, is piling up huge deficits. That is the framework within which negotiations in Geneva are being conducted. That is why we keep saying that it is time for the government to put an end to the secrecy with which it surrounds its trade negotiations. It should level with parliament and the people of Canada on the policies it will propose to correct this country's huge trade imbalances and deficits.

Mr. Paproski: Level, or resign.

Mr. Stevens: Where does Canada fit into all this? A report prepared by the general economic advisory group, economic and policy analysis, of the Department of Industry, Trade and Commerce, dated October 6, 1976, which is little more than a month ago, entitled "Canada's Trade and Balance of Payments, 1971 to June, 1976", clearly spells out the trouble we are in. The report states, as I have mentioned, that Canada's current accounts balance fell from a surplus of $431 million in 1971 to a deficit of nearly $5 billion last year. The report add:

> The change was even more remarkable than this because as recently as 1973 Canada had a small current account surplus.

Both the merchandise and non-merchandise accounts showed marked deterioration in the period, the merchandise trade balance moving from a peak of $2.7 billion in 1973 to a

deficit of $639 million in 1975. Canada's customary deficit on non-merchandise trade approximately doubled from 1971 to 1975, from $2.1 billion to $4.3 billion. The deficit for the first half of 1976 was about $600 million higher than for the same period in 1975. The non-merchandise deficit for the year as a whole is expected to be in the neighborhood of $5 billion.

The report also indicated that the service transaction balance has deteriorated for nearly all categories, although the most marked change has been the increase in the deficit on interest and dividends from $1.1 billion in 1971 to $7 billion in 1975. The freight and shipping account, which was in approximate balance in the early 1970s, has moved into a deficit of $370 million in 1975. The deficit on other service transactions went from $765 million in 1971 to $1.2 billion in 1975. For the first half of 1976 the deficits on travel account and on interest and dividends account have increased substantially. It is interesting to note that this report states that Statistics Canada has not kept records of trade with individual countries except the United Kingdom and the United States. This may partly explain why the government is so secretive. It does not know what position to take with respect to individual countries.

Something else which may help to explain Canada's position in world trade is the rate of turnover of cabinet ministers. I see few cabinet ministers sitting in the House.

Mr. Goodale: Where is the hon. member's leader?

Mr. Stevens: It is difficult for a minister to acquire knowledge of his portfolio in less than one year—

An hon. Member: The back rows on the hon. member's side are almost empty.

Mr. Stevens: Mr. Speaker, the hon. member can make a speech if he wishes. Perhaps he will allow me the courtesy of finishing my speech. The fact is that we have had three different ministers of industry, trade and commerce since 1973. As I said, it is difficult to understand a new portfolio in less than a year, and we have had three ministers appointed in the last three years. I suggest that those ministers did not have time to discover the location of the washrooms in the department. Therefore, how can one expect them to draw up a proper trade policy on the basis of which Canada should negotiate at Geneva?

Let me refer again to the conditions which form the framework for the current round of negotiations in Geneva. The world has changed substantially since the Kennedy Round of negotiations to which I referred. We must now deal with at least three economic blocs. There is the United States block; the European Common Market, which for the first time is negotiating on behalf of all countries forming part of that market, as opposed to having each one of them take its own individual, nationalistic approach; and a third big bloc, the Soviet Union and eastern bloc countries. Japan may herald the emergence of a fourth bloc, and the OPEC nations a fifth bloc. Canada seems to be the odd country, outside of a bloc. The government must explain the reason for this. Is this what it wants? Does it want Canada to be among the few countries in the world isolated from one of the big five economic blocs which have been formed or are in the process of formation, or does it want Canada to join a bloc? In any event, we have the right to know what the government intends in this regard.

Surely the government would wish to present a bipartite policy when engaging in international trade negotiations. Hopefully, it might even consider a tripartite policy which ought to be presented to parliament when engaging in international negotiations. But the government has not done this. Instead, it has engaged in a highly partisan approach; it has dealt in secret and come back to parliament asking for rubber-stamp approval with respect to agreements entered into. Surely the best forum for consultation with respect to trade matters is parliament, the institution of which we are one part. In parliament, the people of Canada, through their elected representatives, have the opportunity to participate in decisions of the day; and, Mr. Speaker, no more important decisions than those currently being taken in Geneva will be made during the balance of this decade.

Let me now turn to tariffs. It is interesting to note the magnitude of the revenues the government derives from certain tariffs. In the 1976 fiscal year, the total revenue was $1,887 million. If we look at the American trade act, it calls for a 100 per cent reduction of tariffs of 5 per cent or less, and a 60 per cent reduction of all other tariffs. If that is the view that prevails in Geneva, and if there is such a cutback in tariffs, it will mean, for example, an estimated $1.1 billion of lost revenue as far as our Customs tariffs are concerned. The odd point is that that fact is not even known by the negotiators who are presently negotiating on our behalf in Geneva.

• (1540)

Often, when we speak in terms of tariffs on trade, we do so in the abstract. However, let us not forget that what we are really talking about is jobs—jobs for Canadians in the electronics industry, the textile field, the leather industry, the furniture industry, the china industry, lock-making and many other diverse forms of activity. That is why we believe, in proposing this motion today, it is urgent that there be a less secretive approach to what is transpiring in parliament, and certainly with regard to our trade negotiations at the present time in Geneva.

It is not just a question of tariffs. Perhaps the most important items that are going to be negotiated in Geneva are the non-tariff items, the so-called subsidies, the countervailing duties. That is where Canadian businessmen, people in the export field and consumers could have an important input in contributing to the negotiations in Geneva, if they were allowed that privilege by this government that is now, temporarily, in office.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is there consent to allow the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Stevens: I thank hon. members for their patience. I should like to continue and I shall be brief. You would expect that the Canadian government is much more attuned to what Canadian producers are experiencing. This rarified approach, this attitude that somehow an elitist group in Ottawa or Geneva knows best, in today's volatile and changing world, shows once again the government's disregard for those who must bear the brunt of its policies. It is not enough for Canada to hope and pray that the world economy may turn out to our benefit. As a major trading nation, we should be aggressively in the vanguard, establishing a meaningful position for our people to allow them adequate competition in the markets of the world. This requires selling, not only abroad but it requires a review sector by sector, industry by industry, of our capabilities in Canada to determine how we may most successfully tap the world's potential trade. In this process, rather than run from the advice of Canadians, rather than shelter itself from comment—yes, even criticism—the government should actively pursue ongoing discussions so that they may better understand the wishes of Canadians.

Regardless of what the Prime Minister and his cabinet may feel, the fact is that you can trust the Canadian people. They would like to help with regard to these trade negotiations. I say to the government, why not ask for their help? Why not consult with those who are going to be most affected? Who knows, even this government may make fewer mistakes than they have been wont to make to date.

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

Mr. Deputy Speaker: Order, please. It is not for the hon. member to decide, as his time has expired. This can only be done with the consent of the House. Is there consent to allow the Parliamentary Secretary to the Minister of Finance (Mr. Kaplan) to ask a question?

Some hon. Members: Agreed.

Mr. Kaplan: Mr. Speaker, in his allegations about secrecy the hon. member neglected to mention a consultative process with industry of which he is very much aware because he participated in it. I want to ask whether he did, indeed, participate in this consultative process and meet with the Canadian GATT negotiators. Perhaps he can share with the House for a moment or two his impressions of that process.

Mr. Stevens: If I may reply to that, Mr. Speaker, I take it the parliamentary secretary is referring to an opportunity I had to attend a briefing given to the Canadian Institute on International Affairs in Geneva. Mr. Rodney Grey, the head of our negotiating team there, gave us the Canadian position. Mr. Long, the director-general of GATT, gave us an overview concerning the GATT negotiations in world perspective.

I say to the parliamentary secretary that the briefing I received as a member of that group is one of the reasons we are having this debate. I, and business people who were in attendance at that briefing, were shocked at the decisions that were to be proposed in Geneva with absolutely no reference to this parliament or to the people of Canada. I was shocked to hear that the negotiations are decided by the whim of one minister, the Minister of Finance. If he says, "Do," it is done. If he says, "Don't do," it is not done. It is time the government got away from this secretive approach, opened up and let the people understand exactly what is being proposed in these negotiations.

I thank the parliamentary secretary for asking me this question, because he could not have hit the quick more. The fact is that the government is totally non-committed to an open course with respect to trade negotiations at the present time. Unfortunately, it may have a devastating effect on our economy and, most important, on those who rightfully can expect jobs to be created in this country and to create a meaningful approach to trade as far as Canada is concerned. Canada's future is an international future, and it is time we ended secretive discussions such as those which have been taking place in Geneva.

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I listened to the remarks of the hon. member for York-Simcoe (Mr. Stevens) with great interest. I agree with him on the importance of this issue. However, it seems to me that if rhetoric were the coin of the realm, we would all be tinkling with prosperity instead of just clanging in confusion. The confusion is on both sides of the argument.

The hon. member for York-Simcoe accuses the government of secrecy. He should know better than that. It is not that they are secretive; it is just that they do not know what they are doing. The problem is that when we look at the statement made by the hon. member for York-Simcoe, we are not sure where they stand, either. It is fine for the hon. member to say to the government that we want to know what they are doing because we do not think they are a good enough target. However, I would dispute that with the hon. member. I think the government has made itself into quite a target. It is all right to say to the government, "State your position on free trade so that we can work on it." The other question is, what is the position of the Conservative party on free trade? Let me be frank, Mr. Speaker, and commence my remarks by saying that this is a serious and important debate. I would tell my friends on the right, with the greatest respect, that it does not further the cause of this debate not knowing where the official opposition stands on this issue. How can you have a debate when you do not know where the sides stand?

• (1550)

Mr. Lambert (Edmonton West): Tell us where you stand.

Mr. Saltsman: I will tell the hon. member for Edmonton West (Mr. Lambert) where I stand. I was expecting that, and I happen to have a note on it which I will pull out. It is quite

clear that this country is heading toward free trade with the United States. I think free trade with the United States is a misnomer. Free trade is generally associated with trade in international circles and I, for one, as a member of a democratic socialist party, am not opposed to international free trade.

Mr. Baker (Grenville-Carleton): I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Grenville-Carleton (Mr. Baker) is rising on a point of order.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I rise not in any facetious or light manner, and I know that this would be the concern of the hon. member for Ottawa Centre (Mr. Poulin). It has been the practice in this House, on opposition days and during the course of general debate, to have at least two ministers of the Crown present. There is none now. I see one just coming in. I hope that the parliamentary secretary will make arrangements to have the proper complement of ministers in the House, in accordance with our traditions.

Mr. Goodale: Mr. Speaker, on that very point, the House leader for the Conservative party will, I am sure, have noted that during the course of this debate—which has been going on now for about 45 minutes—various members of the cabinet have indeed been present to listen to the contributions that have so far been made. Ministers will continue to be present throughout the afternoon to listen to what transpires.

Mr. Saltsman: Mr. Speaker, I hope you will take account of these interruptions when looking at my time. In some ways I was not unhappy to see ministers out of the House while the hon. member for York-Simcoe was speaking because, as confused as ministers may be, I do not think they were particularly enlightened by the comments that were made. So I would sooner have them somewhat less confused than they are now.

I was saying that it seemed to me we were heading in the direction of free trade. When the hon. member for York-Simcoe says there is no consultative process going on in this country regarding trade matters, I think he is not completely aware of the enormous influences that exist at the moment in terms of consultation in government circles on continentalism with the United States. This is the other point I am making, which is a separate concept from free trade. Free trade with the United States works out to continentalism. Free trade with the United States only means that we are cutting ourselves off pretty effectively from the rest of the world, as has been demonstrated by some of the limited free trade agreements that have been arrived at between Canada and the United States.

If you look at the composition of committees in this country, like the Canada-U.S. committee, the C. D. Howe committee, the Economic Council, you find a number of token labour people on them; but by and large they are composed of the captains of industry, the people who are running the branch plant economy in this country. These are the people who are constantly giving the government advice and moving in the direction of the reinforcement of free trade in this country. I would not object to free trade if Canadian industries and companies were independent and our industry was strong and Canadian. But Canada has the highest level of foreign ownership of any country in the world. Many of our industries take their directions from across the border.

So what are we talking about when we speak of free trade? We can look at a number of examples in order to see what are the possible consequences of free trade. We are told that some commodities will come down in price, and that is true. But what about the principal concern of Canadians, that of opportunity for useful employment and for employment generally? There are a couple of questions to examine here. One area where there has been free trade for a long time now is in agricultural equipment. What has been the consequence of free trade in this area? Has it increased employment in Canada? Has it brought technological plants to this country? I am talking about Canadian companies such as Massey-Ferguson. The consequence has been a concentration of all new plants in the United States, and what has been left for Canada is the labour-intensive part of the operation.

A number of years ago, faced with a labour dispute, the Canadian people were affronted by the Massey-Ferguson company which stated that the only reason it was continuing some of its operations in Canada was that our wage rates were lower than those in the United States. All of the highly technical and automated operations were moved out to the United States and new tractors were constructed there. The tractor assembly plants and combine plants which required a lot of manual input remained in Canada. The company then stated that if the workers in Canada demanded parity with the workers in the United States, there was no point in their keeping the plants in Canada. So it seems to me that inevitably free trade means that we in Canada will have to accept a permanently lower standard of living for most people than that of the United States.

Free trade also means that when a country like Canada, which over the years has tended to be an exporter and developer of natural resources, is coupled with a country like the United States, which has a highly sophisticated manufacturing industry, what will be traded will be our raw materials for their manufactured goods, but at an accelerated rate. Trade, in itself, is not necessarily a good thing. If you trade down, or trade badly, obviously you do not get a good deal. The whole point of trading is to get some benefit from it.

When you exchange irreplaceable raw materials, as we have in the past with gas, oil, iron ore and copper, the result is that these products are not so readily available and cost far more than otherwise would be the case. I do not blame the United States for this sort of thing, nor do I say this with any rancour against the United States. They are pursuing their best interests and they expect us, as intelligent people, to pursue our own best interests. But they need our raw materials. They do not need our manufactured goods. If our two countries are put together in a free trade package, there would have to be very

complete safeguards. It is quite clear that the United States does not propose to enter into any kind of free trade agreement with Canada in the future that includes even the limited safeguards that now exist in the Canada-United States auto pact; they have made that quite clear. There will be no more safeguards. If we enter into any trade agreement with the United States, we will have to do without that.

Where does the Conservative party stand on this issue? The motion that has been moved is an important one, and I want to know where the great Conservative party stands on this issue. When I heard the hon. member for York-Simcoe open the debate, I thought for a moment that he was going to coin the great and original phrase, "No truck or trade with the Yankees", and use it in the next campaign. But nothing like that was said. If you want to debate an issue, Mr. Speaker, you must know where the different sides stand. If all that is being said is, "Tell us where you stand so we can take pot-shots at you from any direction we want", then that is not debate. That does not do a service to this House or to the Canadian electorate which has to decide how to vote. We have stated our position.

● (1600)

We in this party will not agree to a continental agreement on free trade between Canada and the United States so long as we know that our industry is foreign-controlled and so long as much of that industry will have divided loyalty in any kind of free trade agreement. Over the last number of years we have seen many nations get themselves into difficulty, ours included.

What happens when we get into that kind of difficulty vis-à-vis the United States? The most logical and intelligent thing for the United States to say to its industry, at a time of high unemployment in that country, is that it should keep its production in the United States and concentrate on creating jobs there, instead of running around in someone else's country and creating jobs there. This makes trade and finance impotent in this country because we do not control it. We do not control it, and the government certainly does not make any attempt to control it.

It is fine for the government to move in the direction of free trade. It seems to me the reason they do that—and I know there are people on the other side of the House who have reservations about the consequences of free trade—is that from the government's point of view free trade means it does not have to do any planning or take any decisions, and all it has to do is allow things to drift and somehow or other the market will sort it out.

Free trade is a cop-out. It is a way in which the government refuses to face up to responsibilities and to manage the economy. For that reason, I do not think we can support such measures. Instead, we think there should be a determined effort on the part of the government to bring in a trade policy based on planning and an assessment of the Canadian situation. We also think the government should take some chances and show some courage in making decisions.

I should like to refer to the *Financial Post* of October 2 and an article under the heading "Break up ITC?". That is a reference to the Canadian Department of Industry, Trade and Commerce. It reads in part:

> Decisiveness, not more money, is what the Department of Industry, Trade and Commerce in Ottawa needs. That was what Jean Chrétien told FP last week, just after taking over as minister.

Some hon. Members: Hear, hear!

Mr. Saltsman: My friends on the opposite side applaud, and so they should if it were true. If it were true, I would applaud myself. The point is that it is not true. There is no evidence that the minister—and I know he is a very determined minister and a very intelligent man—is really in a position to break out of that box in which every Minister of Industry, Trade and Commerce has found himself.

About the only decision which seems to be coming from the government side of the House regarding matters of trade is a decision not to take a decision. What has the government ever been decisive about, or what has it been decisive about recently? It has been marching backward. It has not come out with any real measures. Sure, there have been some changes in support programs for industry—but that is not where the problem is: the problem is that we have to tackle the question of trade from the over-all approach of the whole economy, and there is no evidence that that is being done.

Let me give an example of the kind of circuituous events which take place where you start off at one point, go around the circle and wind up right back where you started, no wiser and no further ahead. The government starts off by saying it has to keep interest rates high in order to cover the trade deficit which has developed and to bring in capital in order to go ahead, very often with natural resource projects. The consequence of that is that the value of our dollar starts to rise. The value of the dollar is unnatural. There is no way the Canadian dollar is worth its present $1.03 vis-à-vis the United States dollar, and the government knows that. The consequence of the first action is that the dollar will rise. In order to keep that dollar high, the interest rates are kept high and we tend to price ourselves out of international markets. Our over-all productivity is not so great.

When I talk about productivity I am talking about not only the price of labour but also the way labour is combined with resources and the quality of management as well as the type of industrial structure we have which is often far more important than the actual price of labour. We are pricing ourselves out of international markets as a result of the high dollar and high interest rates. So we do not go on restructuring our industry, because it is very difficult to do that. First of all the government does not have an industrial strategy, and when one asks the government for its plans on industrial strategy it pooh-pooh's the idea that you can do such things and plan the over-all economy. The government says it has a sectoral strategy, that it has something going for the furniture industry, and that it has something going for the textile industry. Often they are in conflict with each other—but that is called a

strategy. So there is no attempt to restructure the Canadian economy in a way that would be more helpful.

The foreign ownership goes on, and it goes on in a vacuum. I do not think it is because the government wants more foreign ownership now. There was a time, from C. D. Howe on, when perhaps it did. Now, however, it does not want it, but it cannot do anything about it. The Canadian economy has become such that there are virtually no independent Canadian manufacturers left, certainly not of sufficient size and strength to prevent the takeover of our economy. If we want to have any investing in Canada, we have, virtually, to agree to foreign takeovers. So we go on that way. Then we have to export raw materials in order to cover our deficit or do any kind of balancing at all, which means that we have to borrow again because the development of raw materials takes a great deal of money and is very capital-intensive.

There we are, right back to where we started. We have borrowed, the interest rates are high, the dollar is too high, and we have to continue borrowing. What happens? The chickens come home to roost. It is already evident, now, that the outflow of interest and dividends far exceeds the inflow of capital. The municipalities and the provinces have borrowed from the United States because of the difference in the value of our currency. We are now afraid to drop the value of the Canadian dollar even to help the manufacturing industry, for fear that some of these municipalities which have borrowed in foreign markets may be close to bankruptcy if they have to repay in terms of evaluated American dollars vis-à-vis Canadian dollars.

We have put ourselves into a pretty box. We talked earlier about what is the point in trade. Canada has close to 27 per cent of its gross national product in trade. This is one of the highest percentages of any country in the world. What is the point? Is it trade for the sake of trading? The point is not good if on balance we are losing jobs. This is what we are doing. We are exporting, basically, raw materials which cost us jobs in the manufacturing industry. This is what is happening at a time when we have one of the highest growing labour forces in the world. It seems to be entirely the wrong policy. The kind of policy we are pursuing at the moment would suit a country with a very stable or declining population—not one which is growing and needs employment. The consequence, as my leader pointed out, is that we are approaching a level of unemployment which is the highest since the great depression, and that can be laid directly at the feet of the government and its failure to come in with a trade policy.

I want to take this opportunity to thank the Minister of Industry, Trade and Commerce (Mr. Chrétien) for inviting two members of the opposition, myself and the hon. member for Halton-Wentworth (Mr. Kempling), to accompany the Secretary of State for External Affairs (Mr. Jamieson) on a recent trade mission to Russia. That was very helpful. We learned a number of things. Despite the fact that other countries want to trade with us, we have virtually priced ourselves out of foreign markets. This is not just because of labour, because some of the things we were trying to sell contained a very low labour content. We found that there is no one in Canada big enough to take the risk involved in going into foreign markets.

It is difficult to put together consortiums of Canadian businessmen even though some Canadian businessmen are interested. It is difficult to put them together, despite the fact that the government had underwritten some of the trade, for instance, through the Export Development Corporation. The businesses are insured in this way through the establishment of credit with the Soviet Union, and the Soviet Union was quite willing to buy from Canada. It was quite obvious to most of us that for their own reasons, for political reasons and for reasons of friendship, the Soviet Union wants to do business in Canada and yet cannot. Yet the one instrument that might have been available to the government to solve this kind of problem was shot down by the government.

● (1610)

When we in this party proposed the Canada Development Corporation, we proposed it to make up for the deficiencies of the capital market and the entrepreneurial market in Canada. We said at that time that we needed an instrument of government policy that would put together industries and enable them to take risks collectively that they could not take on their own under the leadership of the federal government. Instead of that, the CDC has been turned into a kind of penny-ante fund so that Canadian investors can put in their five bucks and get some dividends. If that is what we need, there are lots of funds in Canada for that. What we do not have is an instrument with which to do something for industry, an instrument with which to go to foreign markets, to take risks and to have the technological know-how to deal with the giants among the international corporations.

Mr. Speaker, I want to move an amendment to the motion, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles). It reads as follows:

That the motion be amended by inserting therein, immediately after the words "generality of the foregoing", the following words:

"thus condemns the failure of the government to develop the kind of trade policy best suited to maintain high levels of employment, and"—

The remainder of the words stay as they are. To us, the point of going to international markets is to create employment for our people. Of course, there are other reasons as well. We are international citizens and we have an obligation to help other countries. If trade is one of the ways of doing it, then we should be doing it. There has been a kind of worship of trade in this country without any thought of the consequences, of whether it is good or bad, or whether the terms should be different than they are. Therefore, it seems to me that it is terribly important that this amendment be accepted, to make it quite clear that the real reason for trade is to provide employment which is so desperately needed by our people and from the lack of which our society is suffering at the moment.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, when I came into the House I was quite

disappointed to learn that hon. members opposite referred to the fact that I was not in the House. When I came into the House I saw that those members who were complaining about me had disappeared themselves. Now I see the mover of the motion is back in the House, but not even in his seat. Yet it is he who complained a few moments ago about my not being here. I think he is in a very weak position.

Some hon. Members: Hear, hear!

Mr. Chrétien: His motion is one of those that does not make much sense. A few days ago he was in Geneva. I asked the officials of the Department of Industry, Trade and Commerce and of the Department of Finance who were there to give him a full briefing. Yet he comes to the House and his way of thanking us is to say that we work in secrecy.

Some hon. Members: Hear, hear!

Mr. Chrétien: The hon. member is always very quick to complain about everything, but he has very little consideration for what is at stake, and he is determined to score petty political points all the time.

Mr. Stevens: It is pretty easy to do.

Mr. Chrétien: I know it is very easy for him, because he is not interested in the welfare of the nation.

Some hon. Members: Hear, hear!

Mr. Chrétien: When we tell them the truth, they cannot stand the heat. They are very touchy people. They like to give it to us, but they don't know how to take it. Next time the hon. member asks for a briefing, we will not give it to him, because he does not want to know anything. When we give him the facts, he comes here and complains that we are being secretive. I have been Minister of Industry, Trade and Commerce for two months now, but the hon. member has not been here to ask me one question during the question period. He speaks about secrecy, and yet he has not formulated any question in the House either for me or for the Minister of Finance (Mr. Macdonald).

I am sorry I arrived late today, but the reason is that I was in Montreal talking about these problems with the textile industry.

Some hon. Members: Oh, oh!

Mr. Chrétien: Mr. Speaker, they are always provoking me.

An hon. Member: You are being smart.

Mr. Chrétien: Our attitude cannot be that bad, Mr. Speaker, because I am forced to say they gave me a standing ovation at the end of my speech, and there were two times more people than usual at the meeting today. They probably knew that this government and this minister will accept their responsibilities and carry them out.

An hon. Member: And be modest.

[Mr. Chrétien.]

Mr. Chrétien: I told them today, dealing with the problem of multilateral trade negotiations, that my main preoccupation is that there are 200,000 employees in the textile industry and I intend to do the utmost to keep these people employed. At the same time, I said to the industry that I do not believe in carrying crippled people around in that field, and that they themselves, as an industry, will have to do their part by being efficient, productive and imaginative. They agreed with that. I was glad to tell them today that we are working hand in hand with the industry, with provincial governments and the unions. It was the first time that we managed to get around the same table the unions, the provincial governments and the federal government, because as Minister of Industry, Trade and Commerce I think it is as important for me to be in the lunchrooms of the nation as it is to be in the board rooms of the nation.

Some hon. Members: Oh, oh!

Mr. Chrétien: It is very important to have everyone together. Ten days ago we decided that because of our balance of payments problem we should build the Lear Star aeroplane in Montreal, for which we already have 61 signed contracts. I decided to take that gamble because this program is export-oriented. If it is successful, and I hope it will be, the returns in exports in five years will be $1 billion. The aerospace industry is underemployed at this time. However, when we made that decision I went right into the factory to tell the employees that it was also their responsibility, because if they are efficient and productive we will sell those planes, and Canada will be better off. If the Lear Star project is a success, there will be 3,000 jobs created in one shot in a high-technology industry.

● (1620)

Some hon. Members: Hear, hear!

Mr. Chrétien: Because I am a minister, and because I believe in trade, last week I approved grants to de Havilland to the tune of $7 million to develop the DASH-7 for reconnaissance, so that not only can it be used for Canada's own surveillance but also to be sold abroad. We are trying to move in the right direction but if we want to export, we have to be very careful in the negotiations in Geneva.

I am very surprised that the hon. member for York-Simcoe (Mr. Stevens) should talk about secretive negotiations. When you are negotiating you do not show all your cards to the other fellow. That is probably the way the hon. member ran the Bank of Western Canada, and it was not a great success.

Some hon. Members: Hear, hear!

Mr. Chrétien: When you are negotiating, you have to reserve your position. It is important to invite those Canadians who have an interest to inform us of their views, and they should also be informed. Since the new trade negotiations started, and since we made a statement after the meeting in Tokyo in September, 1973, the Canadian trade and tariff committee has been set up and so far it has received over 200 briefs from industry and has had over 70 oral consultations with firms. The CTTC has also conducted briefing sessions for

the private sector, and we have brought our chief negotiator back from Geneva for this purpose.

Mr. Stevens: What have you done in parliament about it?

Mr. Chrétien: We are waiting for your questions.

Mr. Goodale: When was the last time you asked?

Mr. Chrétien: The hon. member was in Geneva, and we asked officials to brief him.

Mr. Stevens: You didn't even know I was there.

Mr. Chrétien: My people keep me informed.

Some hon. Members: Hear, hear!

Mr. Chrétien: It is terribly dishonest for a man to talk about secretive policies of the government when we have taken the time to have our officials brief him.

Some hon. Members: Hear, hear!

Mr. Chrétien: How could the hon. member be minister of finance in a Tory government? The people of Canada will not stand too much double-talk with regard to a problem like this. I think the people of Canada believe that this House can be a debating place where the truth can be put on the table—and I am not shy at all about what our government is doing in this field. In tariff negotiations we have a lot to say, but we have to play the game according to the rules. If hon. members think we are wrong, let them try to make some political brownie points. The hon. member should tell us in this House what he thinks.

Mr. Stevens: That is what we are doing today.

Mr. Chrétien: I would have welcomed a positive speech as a result of which we could have learned something, but today the hon. member just tried to score points. The hon. member who spoke for the New Democratic Party at least had a position. He did not entirely agree with what we are doing, but he was contributing to the debate. He expressed his views. I do not agree with all of them, because in many fields if we become too protective we can destroy what we have.

We are great exporters of many agricultural products and other products, and in order to keep those markets we have to make concessions. As I said earlier, we have to protect the jobs of the people in the textile industry. This is a position we take—and we have stated that—but at the same time we know we have to open our market to developing countries. We cannot be the great exporter we are and be too protective, and that is why it is difficult to develop a large industrial strategy. We are not a communist state or a socialist state where everything is controlled by the government. Sometimes we have to adjust our position because it is dangerous to be too doctrinaire.

Canada is a very complex country to administer. It stretches 4,000 miles from east to west and 4,000 miles from south to north. We cannot have one single sector and one system which applies all across the country. We need flexibility. For example, I do not think the textile industry is the best industry we have because it is not highly technological. At the same time I am a realist and I know that if we close the textile industry in some parts of the country in order to have a higher technological industry, the new industry will not necessarily go to the places where the textiles were. I feel that it is not very good to have everything concentrated in certain parts of Canada, because what we have to worry about are the workers in Waterloo, in small towns in eastern Quebec, New Brunswick, or even in Winnipeg where there is now a textile industry of some substance. If we close there and all the jobs are created in other parts of Canada, we are no better off and we have to cope with unemployment problems in that industry.

The hon. member for Lévis (Mr. Guay) has always been very aggressive in trying to promote the interests of the shipbuilding industry. That is another industry in which there are some problems and we have to be protective; but at the same time there is a softening in the international market. There are fewer ships being built at this time than before. It is a very difficult problem and perhaps we will have to develop a sectorial strategy for the problem because, as the hon. member for Waterloo-Cambridge (Mr. Saltsman) mentioned, we cannot have an across the board policy which plans everything, because we are too dependent on what is happening in the world. Canada is an exporting country, and we have to import. There are fluctuations in the world, and we cannot brace ourselves against every wave coming from abroad. I think the negotiations are very important for Canada. The trend will be for a reduction in the tariff, but we will have to be very careful because we need some protection for certain sectors.

A moment ago I mentioned the textile industry, but we have an interest in having a freer trade policy around the world. I am sure that would benefit Canada in the long term. If every country becomes more and more protective—and I am very surprised at the hon. member for Waterloo-Cambridge—how will we be able to help the developing countries emerge with new industries? Because I am the Minister of Industry, Trade and Commerce, this morning I received the minister of external affairs from Nigeria. I receive ministers of trade and commerce from other developing countries; they want us to open some of our markets for some of their goods. How can we achieve that and be completely protectionist? I think we have to strike the proper balance. Perhaps we have been too liberal in some sectors. I am informed that in the textile industry 55 per cent of the goods which are brought by Canadians come from abroad, compared with 45 per cent only two years ago. People from Winnipeg, from some parts of Quebec and from some parts of Ontario complain that because of too many imports local employment is suffering.

• (1630)

We have to balance those things. At the same time we have to keep in mind that if we become too protective, some of the goods we are making will not find a market, and sometimes

some of the goods we make here are more rewarding for us in terms of benefits than some of the jobs we are protecting.

I do not believe we can have an across the board strategy. I think we have to be practical, to look at the sectors and try to take into account all the factors involved. What is important is to ensure that in these negotiations our interests are well protected. I would urge members of the House who have specific views to stand up and make their points, and we will listen to them. I am not sure that we will be able to agree with all of them, but I would welcome the debate. The type of negotiations we are getting involved in at this time are very important.

I cannot elaborate any more, Mr. Speaker, because I am a bit off base. This motion was introduced last night and I had to make a speech in Montreal today, so I did not have time to research enough to make an extensive speech. However, I just wanted to record something of my gut feeling about the situation. I think that not only should Canadian interests be protected, but we have to look at the consequences of tariff negotiations in relation to the developing world. I have some strong feelings on that subject which I think are shared by many members of the House.

We in Canada cannot be too selfish. We have to think about people who are weaker. If we are too selfish we will pay a big price but, of course, at the same time I know we have problems. The Canadian dollar is perhaps too strong in terms of exports, but we have inflation. The Minister of Finance has put forward a very effective policy for controlling inflation and this has generated a lot of faith abroad, so now people are ready to invest money in Canada.

Of course, we have a balance of payments deficit of $5 billion this year, but a lot of money is coming into Canada. Now some people are complaining that the money is not coming in equity but is coming in bonds. I remember a long time ago that people wanted money to come in bonds so we could control more easily foreign investment and only have to pay interest and capital in due course. I am not so sure, now that we have the situation, that it is so marvellous.

The hon. member for Waterloo-Cambridge referred to the trip he made to the U.S.S.R., and I am very pleased that he went. I could not go, as I had to stay in Ottawa to cope with some problems. I am informed, however, that the Secretary of State for External Affairs (Mr. Jamieson) did very well, and I congratulate him for his excellent work. The Minister of State for Small Businesses (Mr. Marchand) replaced me. I should like to inform the House of something very interesting. Some hon. members were complaining because I asked the minister to replace me, but he is an associate minister in my department and is there to help me. On his way back from the U.S.S.R. he stopped in Poland, and a message has been received from the industry which managed to sign contracts with the Polish people, that they feel if the minister had not been with them at Warsaw, the contracts would not have been signed.

Some hon. Members: Hear, hear!

[Mr. Chrétien.]

Mr. Chrétien: I see the hon. member for Edmonton Centre (Mr. Paproski) laughing about that.

Mr. Paproski: If it was the pulp and paper contract that was going to be signed three or four months ago, it would have been signed anyway, so do not give us that.

Mr. Chrétien: I am just reporting what the private sector told me. They said that in a situation like that with the Polish government, it was very important to have a minister with them. That is why the Minister of State for Small Businesses was there. I am not saying it was I who had the satisfaction; it is the industry that expressed it.

Some hon. Members: Hear, hear!

Mr. Chrétien: I should like to make one point to the hon. member for Waterloo-Cambridge because I see the contradiction in some of the things he proposes. Whenever there is a debate about the corporate sector in Canada, great speeches are made in that corner of the House about corporate bums, and so on. Now the hon. member is complaining that industry in Canada is not big enough and that we should have bigger consortiums in Canada.

Mr. Saltsman: The Canada Development Corporation; the private sector is not going to do it.

Mr. Chrétien: We are not ready as yet to give Canada to the socialists, although I agree that it is true we need good consortiums. That is why I went to Venezuela not long ago. We stand a chance of building a railway there. Canadians are good at building railways because Canada itself was built by the railways. We can export technology in that field, but we have to put the people together, CPR, CNR engineers, car manufacturers, and so on. This is the type of specialty that suits us.

I am thinking in terms of consortiums all over the world. We have this technology and are very efficient in the field. This Friday I was supposed to go to Peterborough but I had to cancel that because of other duties in Quebec that hon. members will understand. I was to visit the factory of CGE to tell employees and management, in both the lunch room and the board room, that the effective work they are doing has helped us get a contract for almost $50 million for a generator for a dam in Venezuela. We have to be more aggressive in that field and have a consortium we need to get the market.

In the meantime there will be a little bit more intervention by the government because I do not think we can afford to send four or five different groups in one area to try to get a contract, with each of them cutting the other's throat. I was informed that in one place in the U.S.S.R. two Canadian manufacturers were trying to get a $10 million contract. The Russians managed to force them to bid against each other, and at the end of the day the Canadians left $2 million on the table. In a situation like that it would be in the interests of Canada for the Department of Industry, Trade and Commerce to pick one Canadian company to go and make a sale, rather than to leave $2 million on the table. That would mean a little

bit more intervention, but it would make us more credible in the markets.

There are billions of dollars all over the world waiting for Canadian technology, Canadian companies and the Canadian personality as such. That is why I am glad to announce that I am going to Iran next month. We are losing many markets because we are perhaps not aggressive enough.

This morning the minister of external affairs for Nigeria told me he thought Canadians were not interested because we had no spare capacity in Canada. I told him we have spare capacity and if he has any good projects in mind we will be delighted to consider them. We have good people all over Canada and some are interested in participating in such projects.

If we are to develop our business opportunities, we must develop the proper mechanism for expansion. One of the difficulties with which we must cope is known as the downside risk which is apparent when companies are involved in big ventures such as the Venezuela deal. Our Canadian companies can take so much of the risk on their own shoulders, but they have to consider the level of inflation.

● (1640)

Mr. Kempling: And changes of government in Venezuela.

Mr. Chrétien: There was no difficulty concerning the change of government. I am thinking of the Export Development Corporation's insurance plan which provides guarantees with respect to political stability. The difficulty has to do with the downside risk which involves inflation and factors of that kind. Therefore, I will need to develop a policy in this regard. I am thinking of bringing forward some kind of insurance scheme under which consortiums or big corporations will pay a fee and we will guarantee the downside risk. The risk will be spread over a number of projects. Perhaps we may need to pay out a little in connection with some projects, but we shall collect fees from other participants and the program will probably stabilize. I think programs of this kind have been brought forward in most countries of the world. Unfortunately, we have not done it in Canada.

Mr. Paproski: Is that how CIDA operates?

Mr. Chrétien: CIDA is a different operation. It is not a business. It is a billion dollar organization through which Canadians try to help some of the less fortunate countries of the world. I do not think that CIDA should be related too closely with business. It should be businesslike, wherever possible. At the same time, we should not run our charities as we would run a business.

Mr. Paproski: Charity begins at home; remember that.

Mr. Chrétien: I tell the hon. member that although we are encountering certain problems in Canada, few in Canada would trade our problems for those of any other country.

Some hon. Members: Hear, hear!

Mr. Chrétien: The hon. member said charity begins at home. I suggest that the attitudes of some local governments, that of Alberta especially, are not an example of charity beginning at home.

Mr. Paproski: We do not spend our money foolishly.

Some hon. Members: Oh, oh!

Mr. Paproski: We know where the money is going. We double-check.

Mr. Deputy Speaker: Order, please.

Mr. Chrétien: How can the hon. member say that, in view of what has happened.

Mr. Deputy Speaker: Order, please. May I say that the minister will need the unanimous consent of the House if he is to continue, his time having expired. Does the minister have unanimous consent to continue?

Some hon. Members: Agreed.

Mr. Chrétien: Mr. Speaker, I thank hon members. I shall be brief since I know that others want to participate in this debate. I suggest to the hon. member opposite that the people of Alberta ought to remember that for many years the people of Ontario paid a higher price for oil in order to permit Alberta to develop its oil. That is sometimes forgotten.

Mr. Paproski: Mr. Speaker, it is not forgotten. We cushioned the rest of Canada from world oil prices. We in Alberta cushioned the rest of Canada from world prices. We do not forget.

Mr. Chrétien: I am glad to hear that, although some of us were wondering in the province had forgotten. Mr. Speaker, I wanted to make my statement and I am glad the hon. member was present to hear me. I ask him not to be so touchy.

Mr. Paproski: I am not touchy.

Mr. Chrétien: I have said all I intended to say. I thank hon. members for granting me an extension. In my enthusiasm I forgot to speak in French. Next time I shall deliver my speech in French.

Mr. Beatty: Mr. Speaker, would the minister permit a question?

Mr. Deputy Speaker: This can be done only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Beatty: Mr. Speaker, I thank my colleagues for giving unanimous consent and allowing me to ask my question, which is important. I listened with great attention to the minister's comments. He singled out the Waterloo area, my area, when expressing concern about jobs for Canadians. Since Kinney Shoes announced within the last 24 hours that it will close

three plants in Ontario, two of them being in my constituency, one in Mount Forest and one in Markdale, and since 150 people will be thrown out of work in each plant, is the minister prepared to intervene and do what he can to save the jobs of those 300 workers whose earnings affect directly the economies of their areas?

Mr. Chrétien: Mr. Speaker, I should like to look into the matter. I have not been informed of it and do not know what can be done. Factories in Canada close down for all sorts of reasons. Perhaps we have been too liberal in the last several years in the matter of exports and imports. I intend to take action.

Mr. Beatty: Will the minister look into the case I have brought to his attention?

Mr. Chrétien: I will look into that case. I hope to do my utmost in situations of the kind just brought to my attention. But the hon. member must realize that when the matter involves imports, one cannot turn a switch and expect results right away. Sometimes goods entering Canada have been ordered for several months. The market may be flooded and buyers do not want to buy. There is always some lead time between when you decide to stop the flood and when you see results. I shall certainly look into the matter and hope that not too many similar cases will arise.

Since the hon. member raised the matter, may I give an illustration of the sort of difficulty one encounters in different fields. For example, let us consider double-knits. Double-knits are no longer in fashion. What can one do if one has a stock of double-knits? The use of double-knits in Canada has been reduced fantastically. The market for double-knits has shrunk to about 20 per cent of the market of three years ago.

Therefore, even if one stopped all imports, one could not generate the market for double-knits, as I said. Double-knit fabric is made in my area and I bought two suits. I found them comfortable, but Canadians are no longer buying the material. I have imposed quotas. Now people making the suits tell me that because we have stopped the import of double-knits from the United States, the price has risen. It is too high, and retailers cannot sell stocks on hand. Therefore, one cannot look for simple and cosy solutions because the market does not work that way. I wanted to give this illustration to show some of the difficulties with which we must deal.

As for the shoe industry, the matter the hon. member raised, I shall look into the question. I must tell the hon. member that I have encountered similar problems in my own area, there being textile and shoe industries in the district I represent.

Mr. Jack Murta (Lisgar): Mr. Speaker, I assume the minister flew in from Montreal to participate in this debate. I hope he stays for the rest of it. The minister spoke of what he had accomplished in the past few months; actually, he bragged about his accomplishments. Unfortunately, what he said makes little sense if one views his remarks in the context of present-day business conditions in this country. The minister spoke in glowing terms of the government's accomplishments.

[Mr. Beatty.]

I can say with 100 per cent accuracy that his speech will not enhance the government's standing and will not convince this country's businessmen that the government will support them in the search for new markets. To use a colloquialism, the government has not put its money where its mouth is. I also think that the Minister of Finance (Mr. Macdonald) ought to be present to participate in the debate this afternoon.

• (1650)

What we are saying is that our motion has far more direct implication on the Department of Finance than on the Department of Industry, Trade and Commerce. I hope that either the minister or his parliamentary secretary will give us the government perspective in the debate this afternoon.

I, too, was in Geneva for a few days talking directly with our people involved in the negotiations on the General Agreement on Tariffs and Trade. Regardless of the members of parliament who journeyed to Geneva to discuss international trade, the point is that industry officials, those who run the plants and employ people in this country, have not been adequately informed. That is the problem—but it was not mentioned by the Minister of Industry, Trade and Commerce (Mr. Chrétien).

Today's debate will be one of the more important during this session of parliament. To begin my portion of the debate, I wish to outline how I view the Canadian economy at the present time. I will then move to the General Agreement on Tariffs and Trade as it pertained to the Kennedy Round in the sixties and what has gone on in the seventies vis-à-vis the so-called Tokyo Round now being held at Geneva.

By any standard, Canada's economy at the present time is in poor condition. Our deteriorating balance of trade at this time is an important and disturbing aspect of Canada's economic performance. Over the years, international trade has become increasingly important to the standard of living in most countries. It is certainly true for Canada which each year imports no less than $1,520 per person. Those exports are mostly in manufactured goods. That shows the magnitude of our imports and the importance of them to Canada. It is not widely known that Canada is the largest per capita importer of manufactured goods among the major trading nations of the world.

The Conference Board of Canada recently issued a report by Professor Charles Barrett entitled "Canada's International Trade, Trends and Prospects". Although the report does not suggest policies to remedy the situation, the implication is clear. I wish to quote briefly from that report. I do so because the Conference Board of Canada is one of the most prestigious bodies in this country when it comes to the economy. I quote:

> The weakening trend in our balance of trade has been evident since about 1970, and although things looked good temporarily in 1973-74 because of the cyclical high prices of our resources, the underlying weakness was still there and resulted in an overall deficit of $5.4 billion in 1975.

I may add that by carrying that kind of deficit in 1975 there is every indication the deficit will be carried into the eighties and will increase as time goes on. I again quote:

The reasons for this trend to a deficit in trade relate to fundamental factors such as the declining availability of our high price energy export and the 1970 exchange rate revaluation.

However, the composition of the flows of trade is much more important. Our deficit in fully manufactured products was about $10 billion last year, the result of the high inflow of manufactured goods which will not be offset by exports of our resources.

The environment for developing new resource based exports has become markedly less attractive in Canada because of the burden of taxation and escalating construction and financial costs.

That is one of the reasons I would like to see the Minister of Finance state his position in this debate. Quoting again from the Conference Board report:

Finally it is clear from the evidence available that our cost performance in manufacturing has deteriorated considerably during the early seventies.

As I mentioned before, the implications are certainly clear for the Canadian economy. Because of the seriousness of our situation, the Tokyo Round of talks, as they are being called in Geneva, take on an added dimension. We have a situation in this country that was alluded to in today's question period as well as in speeches in this debate. Unemployment, because of a slowdown in construction, among other things, is starting to inch its way up once again. This winter we will have an unemployment rate of over 9 per cent, which is truly shocking for a country like Canada.

I hope the government will make some effort to reply to this kind of criticism, namely, that we have self-inflicted wounds throughout our export field. Our deteriorating export position is most serious. Over the past few years it has been rapid. What is happening is that Canada is pricing itself out of competition in a good many world markets. Over the past year, attention from our economic problems has to some extent been diverted by the Anti-Inflation Board and by general statements of the Prime Minister (Mr. Trudeau) on the economy. This has caused business confidence to be at an all-time low as far as rapport between the business community and the present government is concerned. That is one of the major problems this government has to overcome.

I wish to mention briefly the Kennedy Round of talks in order to set the stage for discussion as far as the Tokyo Round of talks is concerned. After that gloomy, but realistic picture, of the Canadian economy, hopefully we can view the discussions that are coming up in the proper context. In general, the Kennedy Round of talks that was completed in the sixties was favourable to Canada. The volume of trade effected by concessions in the Kennedy Round has been estimated at $40 billion. Therefore, the Kennedy Round did have a positive effect on world trade. In general, for Canada the results of the Kennedy Round meant easier access to foreign markets for many goods being exported. While tariffs on many of Canada's primary products were already low, the changes offered new potential, particularly in the area of manufactured goods. The most significant reductions were for industrial and manufactured goods, and the resulting tariff did retain a significant degree of protection for Canadian industry in the domestic market throughout the sixties and since the Kennedy Round of talks concluded.

Tariffs for most manufactured goods were reduced from a range of 22½ per cent to 25 per cent to a new range of 17 and a half to 20 per cent. Canadian concessions were generally less than 25 per cent of the existing rate on a selected list of commodities, in contrast to the general reduction of 50 per cent for broad groups of items by the United States. As a point of general interest, the United States tariff rate on most manufactured goods is less than 10 per cent, while the EEC rate ranges from 5 to 8 per cent. That is past history and it has been generally favourable for Canada, although the present economic outlook for our economy would not indicate that we received any benefit during the Kennedy Round of talks.

● (1700)

When you look below the surface at the reasons for this, the main reason being the government's misdirection in handling the economy, the short-term strategy the government has adopted for political reasons, and not for the good of the Canadian economy, and the general unsettling of the economic situation in Canada caused by a number of factors, some of which admittedly are outside the control of the government, any gain that we might have thought was attained during the Kennedy Round has been lost.

In turning from the Kennedy Round to the Tokyo Round and looking exactly at what we will have to be facing in the next few years, it is certain that Canada will be forced to take a more positive position than it took during the Kennedy Round of talks. Throughout my remarks on the Tokyo Round of talks I will draw a comparison between the United States and ourselves. It is clear that we trade more goods between our two countries, and that the United States is far more important to us than any other country. What is done at the Tokyo Round of talks will have more impact on Canada than most other countries. Canada will be forced to take a more positive position than it took during the Kennedy Round. The United States will be pushing Canada toward an exposed front-row seat at the forthcoming Tokyo Round of multilateral tariff negotiations. The United States is apparently going to make sure that Canada takes its place among the leaders, rather than hang back while other nations do most of the bargaining and give up most of the tariff ground.

As I mentioned before, in the past Canada's strategy seems to have been to maintain a largely passive role, coming forward mainly in reaction to other national proposals or to protect and promote its own interests. The United States trade officials clearly think that if they can pressure Canada and a few other reluctant players to commit themselves early—and I think they will be doing this very shortly—and then involve them in the main negotiations, the chances of a free ride which Canada is said to have gotten will be greatly diminished.

Because of this fact there appears to be less concern in working United States circles about the actual content of various tariff-cutting proposals than there is about the need to force it on to the table at the negotiations. The United States and EEC proposals, for example, differ markedly in both the depth of the tariff cuts suggested and the extent of the

products covered. The EEC wants the major tariff-cutting formula to exclude its highly-protected farm products where some of the highest tariffs now exist. The United States, and I hope Canada, too, wants Common Market agricultural products to be part of the over-all tariff-cutting formula. The United States has also suggested that major nations cut tariffs by 50 of 60 per cent for many categories.

Despite denials, the alleged Canadian tactic was very much in the minds of Congress when it was dealing with the trade act of 1974 which really empowers the president to negotiate at the Tokyo Round of talks. This legislation provides the United States President with specific authority to negotiate in GATT. One portion of the act, section 126, known in inner circles in the United States as the Canadian section, aims to prevent any major industrial nation from using the United States to hitch a free tariff ride. The section provides that after the negotiation ends, if the United States thinks that any major industrial nation has not made sufficient concessions equal to what it will gain from the United States, it can exclude that country from sharing the benefits until further equalizing concessions are made. It is understood that one of the preliminary drafts of the Senate finance committee report actually named Canada as a past example of a free-rider, although such reference was deleted from the final report.

There is little question that this approach has created considerable resentment among the Americans both within the administration and also in Congress. The United States is convinced that during the Kennedy Round of tariff negotiations Canada won a free ride on the backs of the United States, giving up much less than they gained in tariff and trading advantages. It has been contended that Canada managed this by holding off until the last minute and avoided, compared with other nations, major tariff concessions in areas that it wanted to protect.

It is interesting to note that under the rules of the game Canada was granted the same tariff advantages that the United States painstakingly worked out with other nations. Canada, of course, has denied this allegation of a free ride and is still very clearly sensitive to the issue. The implication running through all of the negotiations, through speeches that have been made, and certainly the recent speech of Mr. Enders, the U.S. ambassador, is very clear for Canada, and it is that in the new economic order which will be established after the Tokyo Round of talks are concluded, which will be some time at the end of the 1970s or the early 1980s, Canada, regardless of what we in the House of Commons think, will have to be more competitive in the area of international trade. So much for how we are perceived by other trading nations.

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired. However, he may continue with unanimous consent.

Some hon. Members: Agreed.

[Mr. Murta.]

[*English*]

Mr. Murta: Thank you, Mr. Speaker. I will not be much longer. As I understand the Canadian position, it is to eliminate tariffs under 5 per cent and to cut, on what is called an unspecified trade-weighted basis, those tariffs between 5 per cent and 20 per cent, and to reduce all remaining higher tariffs down to a floor of 20 per cent.

In addition, the Canadian position must be regarded in light of the sector approach which Canada has put on the table, which is really Canada's initiative in this particular area. The object of negotiating through the sector approach is the upgrading of Canada's resource development within Canada by eliminating tariffs and non-tariff barriers. The sector question, like those involving multilateral rules on which products to exempt from the negotiations, and safeguard to ensure that countries comply with the outcome of the tariff negotiations, are also up for debate in the coming months.

I should like to touch very briefly on one of the most important, and certainly toughest areas in the present round of negotiations, and that is agriculture. This is the first time our negotiators will sit down and deal in a meaningful way with agriculture and its subsidies. It is hoped that Canada will be backing the move of the United States to reduce tariffs in the economic community. I believe Canada's position is generally along that line. There will be significant benefits from any reduced agricultural barriers to trade. This is because one of the major areas where Canada is an efficient exporter of any type of commodity is agriculture. About 40 per cent of our total farm cash income in Canada comes from the export of agricultural products, so freer trade is very important.

● (1710)

The negotiations will be complex because many of the countries use farm policies for social as well as economic goals, as shown by the farm income policies of the Economic Community. The United States maintains that the objectives must be to create an agricultural trade environment which is based on income support divorced from the price mechanisms, low tariff, as the only form of import protection and export subsidy prohibition. Since the present EEC policy is not compatible with these objectives for progress to take place, the EEC and U.S. positions will have to change or solidify to some extent. The EEC, on the other hand, feels that a move away from its painfully constructed common agricultural policy would destroy the adhesive force which holds the Common Market together.

As I have said before I think one important area is agriculture. I certainly hope, and I believe all hon. members of this House hope, that Canada can make some progress in the area of reducing these barriers to trade. The possibility is that we will be odd man out of negotiations—not being associated in any way with any of the big three, the U.S., the EEC or Japan—in the new economic order that we can expect in the early 1980s. It can easily be seen that competition will be more intense when one looks at past negotiations and what may take place in the future.

The current round of multilateral trade negotiations aimed at cutting tariffs and other barriers to trade will not be completed until some time in 1978 following a period of ratification by participating countries, namely because of the slowness of the negotiations in respect of agriculture. The changes in tariffs and other trade practices would be phased in between 1980 and 1985.

Mr. Speaker, because I know there are certain other members who wish to speak, I want to close by saying that in viewing the Canadian situation in relation to the negotiations that will be going on at the present time in Geneva, what one sees, having been over there, is a great gap. The Minister of Industry, Trade and Commerce certainly did not close that gap this afternoon. The business community is totally lacking in faith in the government. As I mentioned at the beginning of my remarks, the government's position over the next few years will be extremely difficult because of its preoccupation with the Anti-Inflation Board and because of the general philosophy of the Prime Minister which he espoused around the first of 1976. Because of this, the Canadian business community will have to be shown in no uncertain terms that the government means business in the upcoming round of the Tokyo talks. This will mean that the government will have to encourage and help business to become more competitive, while demonstrating that it does not want to become a permanent fixture in the life of Canadian business.

There are some thorny problems which must be resolved before we can move ahead as a dynamic trading nation which we would all like to see. I will state four of the problems briefly. First, Canada cannot generate adequate wealth and create the quantity of the right kind of employment through resource industries and service industries alone. We need a strong awareness from the government and unions and a commitment from Canadians generally that we must build and cultivate manufacturing enterprises. This has not been done to the extent it should have been up to this time. Then we need the determination to pursue the kind of policy to build a strong manufacturing industry.

Second, our interest must be refocused on the problems of high costs and high taxes which have cut into Canada's productivity performance over the past year. It is unlikely that we will arrest the exit of Canadian firms which are establishing new facilities in the United States instead of Canada until we take measures to correct the cost disadvantages relative to those of our trading partners, such as interest rates, wage rates, relative productivity and the cost of plants and equipment. Third, the federal government must begin to realize that the purpose of the Anti-Inflation Board ought to be redefined as a vehicle to aid our economic recovery, not simply to burden companies with higher administrative costs while controlling prices. The immediate priority is for Canada to work itself clear of controls as soon as possible. Finally, the federal government should look at pursuing a selective tariff policy to reinforce the sectors of the economy which offer the greater potential for growth and exports.

I look forward to listening to the remainder of this debate today because, as I said before, it is a most serious and important matter. I thank you, Mr. Speaker and the House, for the additional time.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I should like to open my remarks in the debate this afternoon by addressing myself to some of the comments made earlier by the hon. member for York-Simcoe (Mr. Stevens) and by the hon. member for Waterloo-Cambridge (Mr. Saltsman). I think we all understand that this is indeed an opposition motion with which we are faced today. It is a motion which I assume is sponsored by the hon. member for York-Simcoe, the financial critic of the official opposition. It is a motion which in my view would seem to ask the government to encourage its negotiators at GATT to cease their role as negotiators and substitute therefor the role of messenger or of some sort of weather-cock.

I suggest the hon. member cannot really be serious. I am sure he understands far better than many members of this House the difficulties and sensitivities involved in international negotiations of this sort. Surely he must understand the need for quiet and speedy negotiations in such international settings.

Mr. Stevens: After discussion with those concerned.

Mr. Martin: The hon. member refers to discussion with those concerned. I think we all heard earlier the speech by the Minister of Industry, Trade and Commerce (Mr. Chrétien) in which he indicated that there were no less than 200 briefs received by his department and 70 oral consultations with people particularly from those industries which would be affected by any GATT negotiations which might take place. How can this be termed secretive? What does the hon. member mean by "consultation"? I believe there is a limit to which government can go in the consultative process. When 200 briefs are received and studied by senior departmental officials, and when there are 70 oral discussions with industry people who would be affected, surely that is meaningful consultation.

I suggest that, as usual, the official opposition party this afternoon has indicated that it has no policy and no position. As the minister said, this is more an attempt to simply score some sort of brownie points for the record, which I suggest are rather cheap shots. In my view, the hon. member for York-Simcoe is speaking with a complete misconception or an apparent lack of conception concerning what makes this country tick. There are many international implications which we have as a nation within an ever-shrinking world. We have international responsibilities that cannot simply be turfed aside based on whether we have free trade or not.

The hon. member for Waterloo-Cambridge indicated some of the difficulty in this area. Certainly, the government has not come down hard with a policy either for free trade with the U.S. or other countries, or no free trade in the long-term. It is a very difficult and complicated area, and the hon. member for York-Simcoe, I suggest, as the hon. member for Waterloo-

Cambridge pointed out, has made no positive contribution to this debate. He has not indicated what his party's position will be and in what direction they would move.

● (1720)

Mr. Stevens: We started the debate. That is more than your government did.

Mr. Martin: I want to speak for a moment on one or two of the comments made by the hon. member for Waterloo-Cambridge. He touched on some of the sensitive issues involved in the negotiations, and on the determination of an ultimate position for Canada—whether we move more toward free trade, or less in the direction of free trade. He indicated clearly that in his view many consultations have taken place. I think he appreciated the degree of consultation in which the government has been involved. I was glad to hear him confirm that in his view trade negotiations are not a simple matter. In effect, it is not our opinion only on this side of the House that trade negotiations are not a simple matter, but it has been clearly stated in the House by the financial critic of the NDP that he sees these implications as well. I suggest the hon. member for York-Simcoe also sees them. You cannot tie the hands of the negotiators in the way in which it has been proposed.

Mr. Stevens: That is why you need help.

Mr. Martin: Trade negotiations are not taps to be turned on and off at a whim. Again I say that the fact remains that the official opposition has no policy in the area. It is completely devoid of policy in this as in many other areas. I tend to agree with the hon. member for Waterloo-Cambridge when he indicates that one of the chief objectives of increased trade must be to create added employment opportunities in Canada. I do not think any of us question that.

But I would like to come back for a moment to the comments made by the hon. member for York-Simcoe. What I detect is a continuing negative approach by the official opposition to matters relating to the Canadian economy. I would like to talk positively about our over-all economic situation. I believe that members on this side of the House tend to conduct themselves in this way, which indicates a differing point of view. We recognize the economic problems that face this nation—and there are some serious ones—but at the same time we on this side of the House are proud, and in my view rightly so, of the positive factors in our economy which are in a number of cases the envy of people even outside Canada.

Let me start with the leadership which, I suggest, has been given to this nation and its people by our Prime Minister (Mr. Trudeau) and his cabinet colleagues in the area of controlling the plague of inflation which was besetting us a year ago. I repeat, I think we on this side of the House should be proud of our positive and non-secretive action in this area. Let me quote one noted columnist from outside the country. I am referring to a column on October 19 of this year written by Joseph Kraft. It is very seldom that a noted foreign correspondent, particularly from the United States, would take time to devote an entire column to Canadian affairs, especially in the closing weeks of one of the closest presidential contests that we have seen in recent years. I want briefly to quote from the opening and closing paragraphs of the column he wrote. He opened with these words:

Last week saw the first anniversary of an exceptional effort by perhaps the world's most gifted leader to put the lid on inflation.

He ends his column with the following words:

No one can look at the Canadian experience and be optimistic about the rest of the world where presidents and prime ministers are so much less intelligent and so much less willing to sacrifice popularity to principle than Trudeau.

Some hon. Members: Hear, hear!

An hon. Member: Obviously, he does not live here.

Mr. Murta: You read that with a straight face? You should say that on the radio, where they cannot see your face.

Mr. Martin: This excites the official opposition. They do not like to see the Canadian nation receive strong leadership, as it has for several years.

Some hon. Members: Oh, oh!

Mr. Martin: I will say no more on the subject of inflation other than to point out to the hon. member for York-Simcoe and his party that their failure to appreciate the extent of the problem facing the Canadian economy in October, 1975, and their action in voting against the anti-inflation policy was, in my view, an act of gross irresponsibility on the part of that party which wishes to hold itself out to the Canadian electorate as an acceptable alternative to provide leadership to the nation.

Let us talk for a moment about some of the facts relating to the present state of the Canadian economy. We have talked of inflation. What is the situation? The current rate is approximately 6½ per cent. This is not bad at all in relation to the almost 12 per cent in vogue a year ago. It is not bad in relation to the current wholesale price inflation rate of 7.2 per cent which is the October figure prevailing in the U.S.A., and it is not bad—indeed, it is extremely good, I would say—in relation to the rate of 14 per cent or so prevalent in the United Kingdom. No one progresses anywhere without having inflation under control. Canada is bringing it under control. This government is bringing it under control and will continue to do so. I suggest that this is extremely important in terms of our over-all economy and in the long-term interest of trade, jobs and the well-being of average Canadians.

Let us talk for a moment about growth. Our economy is growing reasonably well on target for 1976. There is an annual growth rate of approximately 5 per cent in real terms in the first half of the year. This rate matches the rate of a year ago. Yet it is a rate that prevails during a difficult time when we appreciate that one of the penalties paid for endeavouring to keep inflation under control is that growth is more difficult to achieve. I suggest that a 5 per cent rate in the first half of this year must be examined in terms of the other kinds of things we are trying to do in the area of combating inflation. Consumer

spending is up about 15 per cent in personal expenditures in the first half of 1976 over last year. There has been a large gain in residential building. Admittedly, business investment has been somewhat sluggish, and I suggest, again, that this is to be expected during a period of controls. We cannot have it both ways. There is a temporary setback in the area of business investment which, I suggest, will be overcome once the inflation bug has been brought within reasonable grounds.

Merchandise trade provided a welcome boost to the economy, with our merchandise exports up substantially in value over last year. At the same time, our import rise was much smaller. There has been a moderate improvement in employment, due largely to the gradual business recovery that we have experienced; and I think we should understand that in these times of wage and price controls, increases in employment will not be massive. In other words, that again is somewhat of a penalty we have to pay during this period of keeping prices in line. Our unemployment figure is still too high. I think we would all agree with that. I believe it is currently at about 7.8 per cent, yet a small notch lower than the current rate in the U.S.A. Compared with the U.S.A. we continue to stand up well.

● (1730)

With regard to prices, there has been a significant lessening in the rate of inflation. As indicated a moment ago, consumer prices have gone up only 6.5 per cent from a year ago against a target, I might say, which the government set of 8 per cent. Also as mentioned earlier, in each of 1974 and 1975 the annual rate of increase in the consumer price index was in the area of 11 per cent. There has been a levelling out of food prices. There is sometimes a tendency to say that this factor has nothing to do with the anti-inflation measures, but we have to remember—and I think the Prime Minister made reference to this in the throne speech debate—that some 60 per cent of the cost of food we buy is incurred after the food leaves the farm gate. So indeed there is a large element of labour involved, and that is a major factor which is controlled by our anti-inflation policies.

In the third quarter collective bargaining agreements reflected average annual increases of 9.7 per cent, and I might say that this is the lowest quarterly rate since 1972. The increases in industry selling prices have also tended to moderate. The industry selling price index shows a rise of about 4.5 per cent in September compared with a year earlier. The Anti-Inflation Board targets of increases of 8 per cent for this year and 6 per cent for 1977 now seem reasonably likely to be realized, and this again indicates the kind of leadership this government is showing.

In the areas of trade and balance of payments in 1976 Canada's export performance has been encouraging to date. Our merchandise exports were up some 15 per cent on a customs valuation basis, and most of the improvement has been in volume items, as prices have not gone up very much this year. As against this, imports were up by only some 8 per cent.

We still have a serious problem in our current account deficit and in our balance of payments situation. Last year we recorded a balance of payments deficit of some $5 billion, and that figure is going to be high again this year. There are many factors involved in this, not the least of which is our inability to continue exporting our natural resources, which at one time were bringing in very substantial amounts of money. We know the double feature which has come into this: our own recognition of fewer resources being available than we had earlier anticipated, and also the extreme increase in prices imposed by OPEC.

There is no question that further efforts must be made in the area of Canadian exports, and I suggest that in his address this afternoon the minister gave some very positive indications of what he is doing in this area. He talked of agreements which are currently being signed, about trips he is taking to the Middle East and elsewhere, and I suggest that this minister and this government are very conscious of the need to promote export industries in this country.

Many of our government programs are geared to assisting those in the export business. More exports mean more jobs, and that is extremely important. We have to continue to show some improvement if our country's dependence on foreign capital inflows to finance a large current account deficit is to be lessened. As long as we have these substantial balance of payments deficits the only way they can be offset is to bring more capital into the country. That is not a very desirable situation, and I suggest that over the next few years it will probably become our key problem on the economic front.

On the matter of consultation I would like to refer to reports which have recently come forward indicating that not only have the Minister of Industry, Trade and Commerce and his predecessors met with industry leaders, and not only has the minister reviewed 200 applications or submissions and interviewed 70 groups of business leaders, but the Prime Minister himself is sitting down with industry leaders in this country. He himself is becoming involved in this process, and he is listening to the concerns they are expressing. Any suggestion that the government does not consult, or moves without consultation, has to be backed up with better evidence than we have heard this afternoon.

Some hon. Members: Oh, oh!

Mr. McKenzie: You guys have been in power since 1968.

Mr. Martin: I hear comments from across the way about 1968. The party opposite wants to live in 1968; on this side we do not. This is 1976, and we are concerned about the problems of 1976, not those of 1968 or 1698.

Mr. McKenzie: Oh, oh!

Mr. Martin: Mumble, mumble, mumble; that is all we can get out of them.

Mr. Goodale: How come they keep losing elections?

Mr. Whiteway: Call one now. We'll see.

Mr. Goodale: We'll just see. Your greatest worry is that you can't last for two years; a flash in the pan.

Mr. Martin: I understand the difficulty of the party opposite. I understand its difficulty in coming up with a meaningful opposition motion which can be backed up with substance. They seem to have failed to have put any substance behind the motion. However, there will be more speakers later on in this debate, and perhaps we will hear some yet.

Some of the problems which are facing the economy of Canada are very serious. They are being dealt with by the various ministers in the government, by the Prime Minister, and by those of us on this side of the House who are equally concerned, and I would simply like to say that in my view we are in a far better position to deal with these problems than those who seem to be completely devoid of any positive policy whatsoever with regard to our economic problems.

Some hon. Members: Hear, hear!

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I think the only thing which could be less exciting than speaking in the House of Commons at 20 minutes to six would be to speak here at 20 minutes to ten. The galleries are overflowing, and everyone is all steamed up!

As has been said, this is a very serious debate, and this is a very complex subject. The concern which has been expressed by the hon. member for York-Simcoe (Mr. Stevens) is that in his view, in the view of many people in parliament and in the country, the negotiations on GATT and our general trade policy have just not been open enough. It is all very well to say that the government has received 200 briefs and had 70 oral consultations with people in industry, but after all the House of Commons is a forum. Matters as important as trade and tariffs should be brought into this House and discussed openly.

The Economic Council of Canada has produced a very detailed document on the subject of free trade, but it has not even been referred to a committee of this House. Other hon. members have mentioned the United States trade act of 1974 which was passed in 1975. They made reference to a section in that act dealing with the authority of the President to negotiate a free trade pact with Canada. Surely, Mr. Speaker, those two points alone would be enough to bring this subject into the open and into this House for discussion. I do not think a discussion on trade and tariff rates should be limited to a couple of hundred briefs and 70 oral conversations in a country as large as Canada.

● (1740)

Very few economists and not too many lawyers or accountants make a success as businessmen. To be successful in manufacturing or trade either at home or abroad perhaps the best qualification is a sense of history, and I think this is what we need today. We need to know how our trade developed and how we arrived at this stage in trade negotiations, and the level of unemployment and inflation that we face at the present time.

There has been mention of this party's position on the matter of free trade, but we are not the government, Mr. Speaker. We expect the government to come forward with a position on free trade and to bring it out into the open. That does not mean the Prime Minister (Mr. Trudeau) calling bankers a bunch of bitchers, professional people gougers, and saying that he is going to clobber labour. The matter should be brought into the House for debate and reference to committee where witnesses would be heard.

In order to understand our position in industry and trade in this country today, we need to know how industry evolved. One can go back a hundred years and look at it then, but to most people the significant period is the postwar period to the present. As everyone knows, a good industrial complex was built during World War II. Then a lot of people returned from the forces and wartime industries closed down so there was a great push to keep industry going and keep people employed.

We must also look at the matter of taxation. People talk about how industry is foreign controlled, about how we allowed industry to come to Canada, but I am glad we did because it created employment when we needed it. We fell down, however, because we did not have parallel taxation laws with the United States and much of the capital inflow came into Canada because of the differential in taxation legislation between United States and Canada.

The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) referred to a shoe industry in his riding that is closing down, and the Minister of Industry, Trade and Commerce (Mr. Chrétien) referred to the textile industry. We should review these, Mr. Speaker, and that is why it is important to have an open forum debate. These matters should be reviewed in the context of the history of the industries.

As I mentioned, we should examine the legislation which pertains to the depreciation and capitalization of industries. The textile industry and the shoe industry have been going down hill for some time. As a matter of fact some of the largest importers of shoes today are the manufacturers. If they find a line of shoes equivalent to what they are producing but which can be imported more cheaply, in many cases they close down that line and import the shoes. Today 55 per cent or 60 per cent of the shoes used in this country are from offshore. The shoe industry built up to a point where buildings and plant machinery were totally depreciated, and management, perhaps because they wanted to withdraw the investment, sold out. Somebody bought it, capitalized it all over again, and began depreciating it all over again, and the government never made a move to upgrade the industry. They did not decide they were going to have a presence in that particular industry for some time.

We have the skills necessary for that industry, Mr. Speaker. We produce the bulk of the raw materials. We have a good chemical industry which produces the oil and gas to look after the components that go into the commodity. The government should have been looking at this industry with a view to upgrading it and retaining the Canadian presence by giving

write-off privileges which would bring it up to a competitive level.

A great deal has also been said about production capacity and I should like to relate an incident which happened this summer. A company from Sweden approached me during the recess about a product. We did some pricing and I said we could not import it because it was too costly. It was a heavy casting. I told them that we have a large foundry in Canada and I would be more interested in a licensing agreement on the product. I was told it was no longer made in Sweden but is cast in Portugal because labour in Sweden is so costly. Then I found they had been negotiating with a firm in the United States which could produce the same casting at 20 per cent cheaper than Portugal. I contacted one of our large foundries and found that we could produce it even cheaper than the United States because our technology in that particular type of casting is even more advanced than theirs. We are going ahead in negotiations with this company and hope that by early next year we will have a licensing agreement. We hope the product can be made totally in Canada and some of the production exported to Sweden. The labour cost is not so great where there is advanced technology.

A great deal has been said about productivity, and the government had had a study prepared by the Department of Industry, Trade and Commerce for the DM-10 group. I should like to see that study and the whole subject brought into the House of Commons for debate, and then go to the committee for discussion.

Too much nonsense is talked about productivity today, Mr. Speaker, and people who do not understand the productive process make remarks about low productivity. They imply that Canadian workers are not productive when in many cases they are using worn out plant and machinery while trying to be productive in line with other countries. We should define productivity. The scale being produced by the OECD is phony as a $3 bill. We need our own definition related to our economy. I do not give a damn what other countries say about productivity; I am concerned about what is going on here.

While some people in industry have made submissions to the government on their position at the GATT negotiations, in many cases there has been no consultation whatsoever. A matter so important should be brought into the open. Seventy oral conversations across the country are not an adequate base. The government produces studies but we do not see them and this is part of the whole secrecy syndrome.

● (1750)

A study was produced on business and government relations. We want it to be tabled in the House after the government has examined it so that we can consider it. The working paper on consensus should be brought forward and tabled in the House. As well, there is a memorandum on initiatives for small business which should be brought before the House, debated, and referred to a committee to enable us to consider that important question.

The secrecy syndrome is all-pervasive. For instance I learned that the Ministry of State for Science and Technology produced a study on the ramifications and implications of the 200-mile offshore limit. Would it not have been proper to give a copy of the study to hon. members who participated in discussions on the law of the sea? Would it not have been better if they could have read the report and then attended the Law of the Sea Conference? Would they not have understood better what was going on and been better equipped to engage in dialogue? Would they not have been better informed? In my travels outside this country I have discovered that parliamentarians and legislators of other countries are better treated in most cases by their governments than we are, and better informed. Other governments are more willing to provide information than our government is. Let me add that Statistics Canada produces every quarter, I think for the Ministry of State for Science and Technology a special study on manufactured products. At any rate, Statistics Canada regularly produces a secret report which is provided to the Ministry of Industry, Trade and Commerce. I submit that it should not be secret; we should be entitled to examine it.

Business evolves, Mr. Speaker. Most businesses in this country did not grow up in the last two or three years, or even the last seven or eight. They have evolved over long periods. Mistakes can be costly. Let me illustrate my point by telling hon. members a story I often tell people of my town. It concerns the Steel Company of Canada, now located in Hamilton. One division of that industry is the Stanley Works. The Stanley Works used to be located in Dundas, where I presently live. Some years ago an argument arose between the company and the township as to who would pay for a drain to take away water flowing off a certain roof. The industry said it would not pay and the town said it would not pay but would build the drain and bill the company. The company said, "If you do this, we shall move out of Dundas." It did. It moved to Hamilton, expanded, and became one of this country's major industries.

I am surprised that the NDP should treat my party as if it were the only opposition in this House. Instead of criticizing the government, that party spends much time criticizing my party, as if it perceives us as the government of the future. NDP members spend much time asking for our position on this and that. Hon. members opposite have talked about free trade and the U.S. Trade Act of 1974 has been mentioned in this House; yet not one NDP member asked what is the government's position on that United States act. My party wants to know what is the government's position?

The minister mentioned the difficulties of consortiums and industries operating in foreign countries. Consortiums, because of their very nature, much each be different, because each individual negotiation is different from all others. After all, the purpose of the consortium is to enable various companies and entities to bring their resources and talent together in order to complete an industrial undertaking.

When all is said and done, perhaps it is easier to criticize by hindsight than to make constructive proposals. I say that for this reason, and will close on this note: we must take advantage

of our own initiatives. The snowmobile was developed and built in Quebec and led to the creation of a large snowmobile industry. But the spin-off benefits of that development are being realized in Indonesia, of all places, where no snow falls. Practically all snowmobile suits on the market in this country come in from off-shore. We must avoid this sort of thing in future. The suits are made wholly out of synthetic fibres, mainly nylon. If we had retained the manufacture of snowmobile suits in Canada, our textile industry probably would not be in its present difficulties. Therefore in future we will need to plan ahead in case similar circumstances arise. We do not want the fruits of our own development, the spin-off, as it were, to be harvested by other countries. Such spin-off benefits should be retained in this country. The same could be said for snowmobile shoes, boots, mittens and hats. They are made outside this country but ought to be made in Canada. I hope we shall plan ahead and not allow this to happen again.

I have nearly finished, Mr. Speaker. I close with a word regarding the GATT negotiations. Generally I think we are all in favour of freer trade. Increased free trade is the trend in the world. This country has erected relatively few non-tariff barriers and pays few hidden subsidies. For that reason some of us are greatly concerned, and I include people in industry, because many countries with whom we trade pay hidden subsidies and have erected such barriers.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member whose allotted time has expired. It being six o'clock I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Eglinton (Mr. Sharp).

Hon. Mitchell Sharp (Eglinton): Mr. Speaker, I do not wonder that you are not too familiar with the name of my riding. I am not very familiar with it myself. I have very seldom heard myself referred to in this way, although I must say it is a great tribute to my riding. I have not had an opportunity, as have many other members, of making a speech on the Address in Reply to the Speech from the Throne extolling the virtues of that great riding in the centre of Toronto. Perhaps I will do that sometime in the future.

Some hon. Members: Hear, hear!

Mr. Sharp: This evening I want to participate in the debate on the motion put down by the opposition on trade policy, particularly negotiations respecting GATT. I begin by offering a comment, not so much on the substance of this motion as on the rules of the House and the way they are being used.

[Mr. Kempling.]

It is quite true that an opposition motion does not require more than a very short notice to the government or to the House. However, if a matter like this is to be taken seriously, more notice should be given so that ministers can prepare their replies.

The hon. member for York-Simcoe (Mr. Stevens) complained when he came into the House about the absence of the Minister of Industry, Trade and Commerce (Mr. Chrétien) and of the Minister of Finance (Mr. Macdonald). However, the hon. member for York-Simcoe is not here now. However, I see he is just about to arrive.

Ministers have many important engagements. If the official opposition wants them to be in the House, they can give more than 24 hours' notice. I hope that in the future, when motions of this kind are proposed, 48 hours' or more notice will be given. I have been a House leader. I always tried to urge the House leaders for the opposition to give us a lot of notice on these motions, not because the government cannot reply, but if we are going to have a useful debate let us have reasonable notice so that ministers can prepare themselves properly.

Some hon. Members: Hear, hear!

Mr. Sharp: The second point I would like to make is this. I was looking at this motion which complains about the propensity of the government to act in secret, and condemns its failure to provide for an open public discussion on future Canadian trade policy. I searched my memory to find if there was any occasion recently when the opposition had placed any questions on the order paper, or orally in the question period, about the Canadian position in the GATT negotiations. It may be that buried in some of the questions on the order paper are some questions dealing with the GATT negotiations. I could not recall them. I have sat in this House during nearly every question period for years and years, certainly since 1973 when the Tokyo round began, and I do not remember a single occasion when the opposition in its search for facts asked any questions on this subject, to which we could respond.

Some hon. Members: Oh, oh!

Mr. Sharp: How many questions have the opposition asked orally during the question period? This is the first time I have heard the subject mentioned in years. I find it difficult to take seriously the charge of secrecy on the part of the government, or of not giving an opportunity for an open public discussion. There have been 75 or 100 opposition days since the Tokyo round began. Not one was devoted to this subject. Now at this late date, after three to four years, the opposition complains about the lack of a public discussion. It is a phony.

Some hon. Members: Hear, hear!

Mr. Sharp: I listened very carefully to the speech of the hon. member for York-Simcoe, waiting for him to express the views of the opposition on trade policy. I waited to hear him make some suggestions as to what line we ought to take in Geneva, or wherever it happens to be we will be meeting. I waited to hear what the official opposition would like to see by way of

policy. I did not hear a word. All I heard were complaints and grievances against the government, but no suggestions of any policy whatever. Not one.

Mr. Stevens: Let's hear the government's position.

Mr. Sharp: The opposition has no policy. It simply expresses grievances in the hope that when they have to place themselves before the public in an election campaign, the people of Canada will not notice. I can assure the members of the opposition that the completely negative attitude of the opposition is beginning to sink in.

If they have some suggestions to make, let us hear them. Let us hear their social policy. Let us hear their trade policy. We have not heard from any spokesman of the opposition, least of all the Leader of the Opposition (Mr. Clark), any indication of the thinking of the official opposition.

● (2010)

Mr. Stevens: Tell us your position.

Mr. Sharp: I challenge the official opposition on one very simple proposition.

Mr. Woolliams: It will be simple.

Mr. Sharp: The hon. member for York-Simcoe failed to indicate whether the official opposition is in favour of moving toward freer trade or toward more restrictive trade. I listened to the speech of the hon. member for York-Simcoe. He would be in favour of restrictive trade if it would gain him a few votes here, and he would be in favour of free trade if it would gain him a few votes somewhere else. But there was no indication from his party, or from any member on the other side of the House, of what their position is.

Some hon. Members: Oh, oh!

Mr. Sharp: I heard the hon. member for Halton-Wentworth (Mr. Kempling) speak on the motion before the House, and he made a very constructive speech, I must say a good deal more constructive than that of the hon. member for York-Simcoe.

We Liberals are quite clear on this subject, and I speak now as a private member of the Liberal party and no longer as a member of the government. The Liberals have always expressed themselves quite clearly on this issue. Our view was expressed today by the Minister of Industry, Trade and Commerce. I have no doubt that my colleague, the Minister of Finance (Mr. Macdonald), will express similar views. The Liberals believe in moving toward freer trade. If the official opposition are restrictionists, if they want more restrictions, then let them say so, so the public can judge. So far we have had no indication from the official opposition at all of what their position is.

Mr. Stevens: Let us hear the government's position.

Mr. Sharp: I am expressing the position of the Liberal party and I know it is a view shared by all my former colleagues in government. I expect the Minister of Finance will support the Minister of Industry, Trade and Commerce in expressing a preference for moving toward freer trade if we can persuade the rest of the world to go with us. That is our position.

I had the great privilege when minister of trade and commerce of initiating the Kennedy trade round. At that time the government had a certain policy, which was to make concessions in our tariffs of equivalent value to the concessions that we obtained elsewhere. I think it is generally agreed around the world that at that time the Canadian government made an excellent deal. The value we obtained from the concessions made by other countries was at least as great as the concessions that Canada had to make in return, and that is one of the reasons why over the years there has been such an enormous increase in the volume of Canadian trade.

One has only to go back to the period since 1963 to realize what a transformation there has been in trading patterns in the world. This began with the Kennedy trade round. The attitude of the Liberal government has been amply demonstrated in the position we took in the Kennedy trade round. Now we are in the Tokyo round and our position is the same. We are looking for concessions to open the way for the export of Canadian goods. We are prepared to make concessions, and to make them in such a way as to do the minimum of damage to the Canadian economy.

Mr. Woolliams: Tell us about the deficit, Mitch.

Mr. Sharp: The trade record of Liberal governments over the years is one of the great success stories of the world. This came about because Liberal governments have always been in favour of promoting freer trade.

Some hon. Members: Oh, oh!

Mr. Sharp: Why is it, Mr. Speaker, that the volume of our trade today is many times what it was in 1963? It is because we were successful traders. We obtained concessions for the sale of Canadian goods.

Mr. Stevens: And the deficit has never been higher.

Mr. Sharp: My colleague, the Minister of Finance, will deal with the question of the trade account; he is much more familiar than I with the most recent figures. However, I make no apologies for the trade record of the government. It is a most extraordinary one, one in which we Liberals can take great pride. It came about as a result of the successful negotiations that we concluded under the Kennedy round, which was the last of the great trading rounds to take place. Now we are entering another round.

The hon. member for York-Simcoe referred to the United States trade agreement which authorizes further negotiations on tariffs. I am sure he is as familiar as I with the nature of the problem that we as a country now face in negotiating this next round, the Tokyo round. The heart of the negotiations lies in the United States, the European Common Market, and Japan. These are the big three that will set the parameters

generally of the negotiations. For Canada the task will be within those parameters to gain the best possible deal for this country.

I listened to the hon. member for York-Simcoe talking of secrecy, but what would he do? Would he have the Canadian government set out now the concessions that we are prepared to make in order to gain concessions from another country? I knew the hon. member for York-Simcoe when he was in private industry and that was not the way he operated. I am quite sure that he was not serious when he said that.

Moreover, in dealing with the U.S. legislation he referred to a clause at the conclusion of the legislation which authorizes the United States to enter into a free trade agreement with Canada. I listened to what he said with great interest and I waited for him to give us an indication of what his attitude was toward this proposal, which comes from the United States, not from us. But I heard nothing. All I heard the hon. member for York-Simcoe say was "The government doesn't know it's there".

This is simply untrue, Mr. Speaker. What I was waiting for was to hear whether the official opposition had a view on this question. I can tell the House that the Canadian government has. When I was secretary of state for external affairs, and before that minister of finance, and prior to that minister of trade and commerce, the attitude of the Canadian government toward this proposal was very clear. We were not in favour. At that time the Canadian government made it quite clear that we were not interested in negotiating a free trade agreement with the United States. That was our position while I was minister of trade and commerce, and the position was reiterated when I was minister of finance.

When I became secretary of state for external affairs I put the proposition in the form of a government paper. This appeared in *International Perspectives* and set out three options in our economic relations with the United States. The first option was to continue as we had been doing. The second option was to move toward free trade with the United States. We clearly rejected both of those and came out in support of the third option, which was to live distinct from, but in harmony with, the United States.

We rejected a free trade agreement with the United States as the goal of Canadian trade policy. That is the view of the Liberal party and of this government. I challenge the official opposition to make clear their position. Do they agree with the third option or with the proposal of the hon. member for York-Simcoe, which was to have a free trade agreement with the United States?

Mr. Stevens: I did not propose that.

Mr. Sharp: Then you are opposed to it?

Mr. Stevens: No, I am not.

Mr. Sharp: Well, Mr. Speaker, what do you make of a party like this which has no policy?

Mr. Stevens: Just speak for yourself.

[Mr. Sharp.]

Mr. Sharp: Mr. Speaker, I think I have said enough—

Some hon. Members: Hear, hear!

Mr. Sharp: —to indicate the bankruptcy of the policies of the opposition parties. I challenge any speaker on the other side to tell the House on behalf of their party where they stand on the issue of a free trade agreement with the United States, or on the position we have taken on GATT, whether they are in favour of freer trade or more restrictive trade. I say let us have a little more clarity and fewer words.

• (2020)

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I welcome the opportunity to speak on this opposition day debate on the motion "that this House urges the government to discontinue its propensity to act in secret and, without restricting the generality of the foregoing, condemns its failure to provide for an open public discussion on future Canadian trade policy."

This has developed into quite a wide ranging debate. We have heard some conflicting statements today. I should like to comment on the remarks made by the hon. member for Eglinton (Mr. Sharp) to the effect that GATT has never been brought up in this House by the opposition. In referring to the Commons debate on GATT, the General Agreement on Tariffs and Trade, I find this has been brought up according to the index at pages 652, 1222, 1313, 1365, 1373, 1377, 1379, 1421, 1665, 1666, 2514-5, 2519, 2542, 2546-7, 3184, 6214, 6218, 7021, 7258, 7599, 7749, 11370, 11378, 13830, and 14119. Then in respect of farm products at page 13114, and on the United States tariff cut proposal at page 12184. The list goes on and on, and yet the hon. member is telling us tonight that GATT has never been discussed in the House of Commons. This is a typical Liberal comment.

Also it was interesting to listen to the Minister of Industry, Trade and Commerce (Mr. Chrétien) tell us that he will be scurrying around the country. He told us that he has been to Geneva, that he has been to Montreal today, and that he is going to a number of countries to expand Canada's trade. I am happy to see that he is taking a page out of the Conservative handbook which was designed by the former minister of industry, trade and commerce under the conservative government, the hon. member for Prince Edward-Hastings (Mr. Hees). In those days he worked on a theory. The initials of the theory were YNGADBSOYB, which means you never get anything done by sitting on your butt.

The hon. member for Prince Edward-Hastings will go down in history as the most successful minister of industry, trade and commerce. The present Minister of Industry, Trade and Commerce is just in knee pants compared to the hon. member for Prince Edward-Hastings in respect of accelerating industry and trade for Canada, and we will see whether he will be anywhere near as successful. He was a failure in the Treasury Board. He called himself "Mr. No", the man who was really going to control the heavy government expenditures, but he

was an absolute failure in that department, and we certainly hope he is more successful in his new role.

The hon. member for Scarborough West (Mr. Martin) this afternoon referred to the Anti-Inflation Board and was very critical of the official opposition for not having voted for the anti-inflation program that was brought forward last year by the Liberal government. The reason we could not support the government's anti-inflation proposals are set out by the Leader of the Official Opposition (Mr. Clark). I would like to use the words of the Leader of the Official Opposition who put it so well in a recent speech when he said:

One remarkable fact about the throne speech is that the government now proposes 'to begin' consultations with the other partners in the Canadian economy. They are going to begin consultations 12 months too late.

It was interesting to hear the comments of the hon. member for Scarborough West this afternoon in respect of the consultation process, which certainly has not been a priority of the Liberal government in the past. The Leader of the Official Opposition went on to say:

That demonstrates the difference between the Stanfield proposal of controls with consultation, and the Trudeau program of controls by surprise. We proposed a program that would start with a freeze to allow all the partners to participate in designing controls. When Mr. Trudeau stole that program, he rejected the process of consultation which was the mechanism essential to make the program work. He did not talk to labour, or to business, or the provinces. Apparently he didn't even accept the advice of the officials of the Department of Finance whom, we understand, told him that if he was going to steal the Stanfield program he should steal all of it, including consultation.

It is also very interesting to note that the present government is very anxious to consult with everybody now that it has the latest opinion polls. The government certainly was not interested in consultation with anyone prior to the results of the latest Gallup Poll.

The Leader of the Official Opposition also said:

But Mr. Trudeau preferred his own advice to that of everybody else, and he rejected consultation when he imposed controls. Now he is prepared to begin, after 12 wasted months. If there had been consultation at the outset, as we proposed, there would have been no need for a day of protest. There would have been less need for the constant changing of the rules of the Anti-Inflation Board. There would have been less hostility, and much more partnership.

There are many areas which are not covered by the Anti-Inflation Board regulations, such as public utilities. The low income people are still under the Anti-Inflation Board rules and regulations, but we see that water rates have doubled and that hydro bills are going up, none of which are under the guidelines of the Anti-Inflation Board. This is what makes it such a farce.

The hon. member for Scarborough West, the Minister of Industry, Trade and Commerce, and the hon. member for Eglinton gave great praise to this government and the brilliant job it is doing. It is too bad they were not in tune with the Prime Minister (Mr. Trudeau). It is interesting to note that the Prime Minister when he was in Saint John stated that the Liberals had lied on the controls issue during the 1974 election. He went on to say:

'Why did we lie to you? Unless we can explain the flip flop they have the right to say this' government has lost its credibility.

That is an understatement.

Then just recently in Montreal the Prime Minister, when speaking to the Federation of Automobile Dealer Associations, said:

. . . before we can even begin to solve the problem of your business and our laws, we have to solve a much more basic problem—the understanding between government and the people.

People are not satisfied, and God knows they have cause not to be satisfied in our country—the way we've bungled things.

So, Mr. Speaker, by the Prime Minister's admission this country is being governed by a bunch of bungling liars. Members of this government stand up today praising this brilliant administration, while the Prime Minister goes around the country saying that they are liars and bunglers. What can we expect from them next?

● (2030)

On this great performance of this government we see that in the first six months of this budget year the deficit will be $3 billion, and at the end of September of this year the federal government has spent $3 billion more than it has received. I did not hear any comments on this today and I do not see anything brilliant about this. This is unreal. The estimate of the total deficit for this year will be $6 billion. When the Liberals took over in 1963 the total budget was $6 billion; now we have a $6 billion deficit, and they sit over there glaring and patting themselves on the back. Look at the hon. member for Scarborough West who is smiling. He thinks this is just wonderful. It is an absolute disgrace and it should wipe that smile off his face.

What do we get? We get cabinet ministers going around the country talking about bilingualism. I would like to see them come out to Winnipeg. Let us talk about the $6 billion deficit. What will they do about that? Never mind bilingualism which everybody in this country is opposed to in the way it is implemented, and let us get down to the real issues, the economic issues. They are afraid to discuss these.

Then there is the matter of government secrecy. One of the essentials of a true democracy is that the people and their representatives have the knowledge, and that the political opposition be able to challenge the government on the basis of that knowledge. Do the citizens of the Yukon have the right to know which restaurants were serving them food with unsafe levels of bacteria, and should not the people of Pickering be given a fair start on their airport battle at Pickering by being given access to government reports prepared with the people's tax dollars? The government rejects its duty to account for its actions and is telling its critics that they do not know the facts and it is better for them not to know. In that sense we do not have good government in Canada. Of course this is an admission by the Prime Minister himself. A long step toward making government responsible to people could be a law spelling out and enforcing the public's right to know.

I should like to comment on an article contained in the October edition of *The Parliamentarian*. It is an excellent article that has been submitted by the Leader of the Official Opposition in which he comments on freedom of information. He states:

A bill should be introduced to promote a more open attitude to freedom of information within government. Information gathered at public expense should be available for press, public, and parliament. We can no longer accept the present practice allowing the government itself to decide what can be released and what cannot. Open to secret abuse as this conduct is, it should be replaced by a legislative code establishing criteria for the release of information, and the criteria should be supported by a neutral appeal tribunal which would apply the guidelines in cases where the government withheld requested material.

If we were in government, we would implement open government.

Secrecy in government also has its humorous side. The hon. member for Eglinton was recently at a meeting in Toronto where he was on a panel with the former minister of finance, John Turner. I should like to quote from a news description of this particular meeting which reads:

It is clearly an issue whose time has come. Why else would former finance minister John Turner have chosen to appear on a panel to discuss the issue—with his one-time cabinet colleague Mitchell Sharp and U.S. consumer activist Ralph Nader—at last month's Bar Association meeting? Turner seemed well aware of the public's concern about government secrecy as he watched Sharp move uncomfortably in his seat during the CBA debate.

That is a big joke. I can remember when this man was finance minister here. You could not get a straightforward answer out of him at any time. Now he is the great proponent of freedom of information and he is going to release all government secrets. I wonder what he is up to.

Some hon. Members: Oh, oh!

Mr. McKenzie: I understand it upset the hon. member for Eglinton to hear what Turner was saying. The article goes on to read:

Sharp and Turner sat at the opposite ends of the horseshoe, giving a visible indication of where they stand on the issue. Nader, by contrast, sat close to Turner.

It seems that we are only getting all this criticism of government from people once they resign from the cabinet. It is unfortunate that more cabinet ministers are not speaking out. It would certainly be more beneficial than the secrecy which this group is exercising right now.

Now I should like to say a few words about the Minister of Industry, Trade and Commerce who is the great defender of the government today. I should like to quote a recent question which I posed to him on November 2. It was with regard to Canadair. It reads:

As Canadair is now owned by the taxpayers of Canada and as the board of directors has a majority of senior civil servants presumably representing the taxpayers' interests, will the minister table the document whereby the government authorizes the loan guarantee so that the taxpayers of this country can see what kind of deal the government is getting them into?

The minister's answer to me was:

Mr. Speaker, last Friday in Montreal I held a press conference on this matter during which I gave all the information. We guarantee a loan of $50 million, the government of Quebec a loan of $20 million and the balance of the program will be financed through two Canadian banks. Until now the Learstar program is extremely interesting. Fifty-three orders have already been obtained by Canadair's sale committee. I think we must all be pleased that Canadair landed such an interesting program.

Nobody could disagree with that. My supplementary question was as follows:

[Mr. McKenzie.]

Will the minister table the documents which show that Canada has firm orders for 53 Learstars and has extracted deposits from customers for this number of aircraft, who are these customers, and at what price has Canada promised to deliver these aircraft?

I believe it is a perfectly legitimate question. If the deal is finalized, why cannot the official opposition or the Canadian people see these documents? This is more government secrecy and it creates suspicion. It creates suspicion in my mind because I do not feel that governments should be in the aircraft industry at all. It is one of the most precarious businesses.

We are well aware of the situation of the aircraft industry in Manitoba. The government got into the aircraft building industry there and it ended up being an absolute, total flop. It cost the Manitoba taxpayers $50 million. When you look at large airplane manufacturers such as Boeing and Lockheed you find that when they run into problems they lay off thousands and thousands of people and they suffer great financial losses. I think we pose perfectly legitimate questions when we ask about this government being in the airplane manufacturing business to the extent it is. This government should table all documents regarding Canadair and Learstar aircraft.

Another question comes to mind in regard to this. This is a company wholly owned by the government. Before proceeding with the design and development of a Learstar 600 jet, I think the minister should explain what the authorization means in terms of taxpayers' money and how many tax dollars the minister has committed to Canadair. That is a perfectly legitimate question which he should answer. The minister announced that market surveys show that Canadair should expect sales of between 250 and 300 aircraft in a five to seven year period. He should tell this House what the government guarantee will cost the taxpayer if Canadair fails to capture the one third to one quarter of the luxury jet business which 250 to 300 planes represents. I understand that private industry in the United States is experiencing great trouble selling these executive jet aircraft, so why is the Canadian government getting into the business? I think we deserve some concrete information. Let us have all the documents tabled. However, I certainly hope it is successful now that we are into it to the extent we are.

● (2040)

Does the government's authorization of Canadair's development of this aircraft mean that every plane surplus to any commercial requirement will have to be bought, no doubt at a grossly inflated price, by the government, and that in addition to the Falcon jets available for ministerial travel we will end up with 50 Learstars for no other reason than that the government has been sold another of Canadair's white elephants?

Mr. Epp: Otto will even have a choice of planes.

Mr. McKenzie: Even the Minister of Transport (Mr. Lang) might have to expand his fleet.

Mr. Epp: One for every week of the year.

Mr. McKenzie: Also with respect to this aspect—Mr. Speaker, has my time run out?

The Acting Speaker (Mr. Ethier): I regret to interrupt the hon. gentleman, but the time allotted to him has expired. Nevertheless, he may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this debate, at which I have been present from the beginning until now, has covered many subjects and issues, but there are two in particular which have generated a lot of heat, from the opposition, particularly from the hon. member for York-Simcoe (Mr. Stevens). These are the two issues with which I want to deal because they reveal the tremendous extent to which the hon. member has tended to over-state his case. He has done it before, and he has done it again in this debate. He talked at some length and with considerable heat about the current economic performance of the economy.

It is no secret that the government is not content with the current performance of the economy, and we are working to change it and to improve it, but to argue, as the hon. member did, that there are deficits all over the place is just wrong. He argued that we had a deficit in trade. He should know better because figures have been available to him showing that the merchandise account of Canada is now in a surplus position and that the Canadian economy is performing there at a surplus. That doesn't mean that will continue—

An hon. Member: That's right.

Mr. Kaplan: —but when he went on to say that we had adopted shortrun policies with the objective of winning popularity, how far from the truth could he be? We know that the controls policies which have been introduced are not popular. We chose them because we think they are the right policies. We hope that in time, and with additional measures, the Canadian economy will begin to perform to the standard all Canadians would like, but to argue that we play the short term to win popularity is really ridiculous.

In any event if the Tokyo Round, which is only just under way in Geneva, is successful, it will produce an agreement which will not come into effect until the middle 1980's. To relate current economic performance to charges about the negotiations now going on at Geneva is to introduce an element of hysteria into this subject. The business community and all sectors in Canada affected by whatever agreements are reached will have years and years to organize their affairs in an orderly way, with full knowledge of what is coming, to take advantage of whatever agreement we are able to negotiate in the interests of the Canadian economy. There will be lots of time.

The second issue on which the hon. member attempted to generate quite a lot of heat was the issue of secrecy. He began by saying that the government's negotiations were being carried out absolutely in secret, with no one being taken into our confidence and with no one in the economy having any knowledge of what is going to happen, of what is going to be done and what is being proposed. He did not admit, until I asked him a question after he had completed his speech, that he himself was briefed in Brussels by the negotiating committee.

Some hon. Members: Shame!

Mr. Kaplan: The hon. member did not indicate that the Leader of the Opposition (Mr. Clark) has also been fully briefed by the negotiators. The Minister of Industry, Trade and Commerce (Mr. Chrétien) indicated today that the briefing had been a full briefing and that he had instructed his officials to tell them as much as there was to tell, to tell them the whole story, and when the hon. member indicated in his reply to my question how angry he was about what he had learned, I think what he was angry about was discovering something he perhaps had not realized, and that was that these negotiations are terribly important to the future of Canada.

Perhaps the anger of the hon. member should have been directed somewhat to himself and to members of his own party for their failure to recognize a long time ago that this is an important issue.

Some hon. Members: Hear, hear!

Mr. Kaplan: It is an issue upon which they ought to take a position, and they have not done so. They have continuously been saying to us in their heckling and in their comments that they want to know the position of the government. Well, that indicates that they have not paid any attention to anything which has been done by way of preparation for the Tokyo Round, because back in 1973 when the Tokyo agreement was signed by the then minister of industry, trade and commerce, who is now the Minister of Energy, Mines and Resources (Mr. Gillespie), he set out very clearly what our objectives would be, where we stood on free trade, where we stood on non-tariff barriers, and where we stood on the sectorial approach.

I want to argue that we have put more on the table than has the American government, for all the structures the Americans have established. I want to come back and talk about those in a moment, but for all those structures any Canadian—even a member of the opposition—who wanted to take the trouble to read the public record would have a better idea of where we stand on the upcoming round at Geneva than the Americans do about their own government's position.

Mr. Guay (St. Boniface): They don't know.

Mr. Kaplan: Five major objectives were laid out with respect to the Canadian bargaining position at GATT.

Mr. Baker (Grenville-Carleton): You think GATT is a firearm, Joe.

Mr. Kaplan: The first objective was the reduction or elimination of the trade restricting or distorting effects of non-tariff measures and bringing such measures under more effective international scrutiny and discipline. That was our first goal, stated back in 1973. Hon. members will be interested to know that a panel which has been working in this area has been studying the DISC measure introduced in the United States recently. I think most hon. members are familiar with that. Other European tax concessions have also been studied by the same panel and are now in the process of being reported publicly to the negotiators at Geneva.

Our second goal, the goal which was outlined very clearly by the hon. member for Eglinton (Mr. Sharp), is a substantial reduction of tariffs on both industrial and agricultural products. Does the opposition agree? Perhaps we will never know.

Our third goal is a significant improvement in the terms of access for agricultural exports, resulting in a greater role, over time, for comparative advantage and increased stability in international trade.

Our fourth goal is to select sectors for a comprehensive attack on all barriers to trade, especially where these impede the processing and upgrading of resources in the country of origin. One hon. member opposite referred to the sectoral approach. This is what goal No. 4 refers to. We introduced the idea of the sectoral approach at Tokyo, as this country ought to be aware. We have been advocating that position ever since, and our position on it at this point in time is far more clear than is the position of the United States, for all the machinery Congress has set up to guide the administration.

Our fifth goal is improved opportunities for developing countries to increase their export earnings.

Those are our goals, but it should be obvious when looking at them that there is a lot left unsaid. We have not put our final cards on the table. We have not indicated, at the negotiating table or in the country, what is the final, hard, tough and last package we are prepared to accept, but can hon. members opposite seriously argue that we should put our final position on the table? What interest would it serve if other parties such as the United States or the European Common Market came to the negotiating table, as they are, with their cards pretty close to their chests? They are not yet ready to state what their final bargaining position is, but they would certainly like to know ours. What could be more prejudicial to Canadian long-term interests than having all our cards on the table at this point?

Some hon. Members: Hear, hear!

Mr. Kaplan: I think that is a wrong-headed notion. There ought to be a close to the chest element at this point in time, and it ought to continue for some while yet. However, as I mentioned, hon. members opposite had their opportunity to be briefed by our negotiators.

[Mr. Baker (Grenville-Carleton).]

• (2050)

I want to describe the whole process involving and consulting the public, for making sure that the sectors interested in various aspects of the negotiations are consulted. In November, 1973, the government announced the establishment of the Canadian Trade and Tariffs Committee to receive the views of all Canadian interests with respect to Canadian participation in the trade negotiations. The then minister of industry, trade and commerce said that the negotiations would be of vital importance to all sectors of the Canadian economy and to all regions in Canada. He emphasized that, in view of the complexity and potential scope of the negotiations, the government was anxious to receive the views of all interested groups. So that people in all regions would have a better opportunity to put forward their views it was decided that the Canadian Trade and Tariffs Committee should hold sessions in different parts of the country. He also emphasized that the CTTC would remain in existence throughout the negotiations and that there would be continuing opportunities for further consultations as the negotiations evolved.

This is exactly what has been happening. Indeed, since its establishment, the CTTC has received and considered over 200 briefs. In addition to these written briefs it has also held detailed discussions with many organizations which have requested such consultations. These consultations have provided an opportunity not only to assess and discuss the views of the organizations concerned on individual aspects of the negotiations, but also have provided an opportunity for a continuing exchange of information on the progress of the negotiations. The regular contacts which many departments have with unions, companies and trade associations, have continued and indeed have been intensified during this period, so that this has provided another channel of communication.

The government also established a Trade Negotiations Co-Ordinating Committee. This committee, which meets at the deputy minister level, provides a direct link between the government and the delegation in Geneva. Its role is to make sure the ministers are kept informed of the progress of the work and that instructions are provided to the delegation on particular issues. And of course the ministers are here, in Ottawa, totally accessible in a number of ways to the public and to the House.

In order to ensure that the CTTC plays an effective role in the consultation process, the chairman of the CTTC is a member of the co-ordinating committee. I refer to these arrangements because they reflect the concern of the government to ensure that the views expressed to the CTTC are taken into account in the decision-making process and are reflected in the advice and recommendations provided to ministers. I would have thought that hon. members opposite would comment about this structure, but they did not. Perhaps they do not know of its existence. Perhaps they did not take the trouble to look into it.

The actual negotiations are being conducted by a delegation which is headed by Ambassador Grey, former assistant deputy minister of finance. Deputy head of the delegation is Mr.

Clark, a senior official of the Department of Industry, Trade and Commerce. Other departments are, of course, directly represented on the delegation. The resources of the delegation are supplemented as required by senior personnel and experts on particular subjects from Ottawa.

I might add that both the head and assistant head of the delegation have been brought back to Canada on a number of occasions to provide direct briefing on the progress of the negotiations. They have made it a practice on those occasions to speak to a number of groups here, in Ottawa, as well as to visit the different provincial capitals and hold discussions with both provincial government officials and local business interests. Their advice has been made available to the sectors most vitally concerned about the tariff negotiations. This is a two-way street, Mr. Speaker. Many businessmen, and indeed some members of the House have had occasion to visit Geneva and receive more detailed briefing directly from the delegation.

Hon. members should know that the government has made special efforts to keep the provinces informed, and indeed to seek their detailed views on the matters under negotiation. It is perhaps significant that while in the Kennedy Round the then minister of finance only received formal briefs from three provinces, in this round of discussions eight provinces so far have submitted detailed views to the government. Arrangements have also been made for formal and informal contacts between federal and provincial officials at all levels. In addition, there have of course been contacts at the ministerial level. I think therefore I can assure the House that every effort is being made to make certain that we fully understand the concerns and aspirations of the provinces and that they too are kept fully informed about the progress of the negotiations.

I should point out that since the negotiations began there have been a number of speeches made by ministers and by officials which dealt with the questions at issue in these negotiations and their implications for Canada. As hon. members are aware, the Minister of Industry, Trade and Commerce recently spoke on these matters to the annual meeting of the Canadian Manufacturers Association in Ottawa last month. I might also mention that Ambassador Grey himself gave a very detailed and public assessment of where we now stand in these negotiations when speaking to the Apparel Manufacturers Institute of Quebec in September. The speech was widely reported.

Hon. members opposite referred to the advisory committee set up in the United States under its legislative jurisdiction with respect to consultation. They referred as well to legislation which limits the authority of the President of the United States to negotiate on behalf of the United States. Having illustrated the procedures which apply in Canada, I think I have show hon. members that at least as much access is available in Canada as in the United States.

The opposition's real grievances are that they have provided no input into the GATT negotiations, that they have not had any voice in determining what the policies of the Canadian government ought to be as put forward in the negotiations at Geneva. Mr. Speaker, the reason for this failure is clear. They have nothing to say on the subject.

An hon. Member: Then why do you keep asking for our views?

Mr. Kaplan: All day not one tariff proposal came forward from hon. members opposite to match the government's five goals. We have heard nothing on international trade, except current statistics. Hon. members opposite proposed nothing on which we could agree. Of course hon. members are entitled to have their say. They are entitled to discuss the tremendously important negotiations presently under way involving a tremendously important proposed international agreement. But they must give the House and country some idea of where they stand. If they do, their ideas will get the attention they deserve.

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, it is a pleasure to participate this evening in this debate dealing with Canada's foreign trade. When I first entered the Chamber this evening the hon. member for Eglinton (Mr. Sharp), the former government House leader and president of the privy council, was speaking. Since the question at issue involves secrecy and foreign trade I wondered why he was speaking, until I remembered that at one point this afternoon not one cabinet minister was present in the House. The only minister who saw fit to defend the government's record with respect to foreign trade and secrecy was the Minister of Industry, Trade and Commerce (Mr. Chrétien).

Mr. Goodale: Where are the members of your front bench?

• (2100)

Mr. Beatty: Mr. Speaker, I think I heard some noise from the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale). After his record of a couple of weeks ago when he failed to say "no", which is his sole responsibility, one would think he would hesitate to be noisy tonight.

I was interested to note that no minister except the Minister of Industry, Trade and Commerce could be enticed to defend the government's policies, so the government was forced to disinter the former president of the privy council to defend them. I think it is appropriate that the former government House leader should take part in the debate because it centres on the question of secrecy. No one has had such an extraordinary record in this House as has this former minister who is known for dragging his feet on the question of freedom of information during his tenure as government House leader. That would not bother him, I know. Now they put him into the breach to give a stirring defence of government policy on secrecy. The former government House leader, the hon. member for Eglinton, is the sort of person who would chop down a giant redwood tree and then mount the stump to give a speech on conservation. It is appropriate that he should be the one to give a speech tonight on secrecy.

I think it is appropriate that we debate the question of foreign trade today when Statistics Canada released the fig-

ures for the October unemployment rate. Those figures tell us something about the government's failure.

An hon. Member: I wonder who they were sold to first.

Mr. Beatty: My colleague wonders who they were sold to first. If they have been selling Statistics Canada figures to the private sector, that is about all the government has done to stimulate business in Canada.

When we look at the figures I think it is appropriate that we think about the effects of foreign trade on jobs. Foreign trade means the creation of the thousands of new jobs necessary to produce the goods and services and to ensure that our people have the standard of living to which they are entitled. The figures show that seasonally adjusted unemployment is up 31,000. In October the figure was 784,000. Mr. Speaker, that is enough people to fill three cities the size of Kitchener-Waterloo. And that is just the number of unemployed; it does not include the families of the unemployed who suffer equally.

In my home province of Ontario which led the jump in unemployment, we felt the effect of the government's policies when unemployment went up by some 20,000 in Ontario in October. For young people in Ontario at the present time the figure is 10.4 per cent, a whole percentage point above last year. It is tragic when, because of the government's failure to bring in sensible economic policies, one in every ten young people in the labour market in Ontario is without a job.

The government should recognize that without foreign trade, and without aggressively searching out foreign markets, little will be done to create new jobs. And without giving protection to domestic industries and Canadian markets little can be done to protect the jobs of those who have them today.

It is fitting that we should talk about this matter today also, because secrecy is a subject which has often been raised in this House. I am opposed to secrecy in government, and so is my leader. Our party would bring in a freedom of information act and an open administration. The people of Canada would know what the government was doing and how their money was being spent. The history of this government is one of secrecy. The attitude of government ministers is that information belongs to the government and they may or may not choose to let the people have it. When it is inconvenient they will destroy it.

I see the Minister without Portfolio (Mr. Guay) laughing about that, Mr. Speaker. I am a little unclear about his responsibilities but he is the most highly paid attendance taker in the history of Canada. In the latest cabinet shuffle he was given the portfolio and the salary but no responsibilities. He has the same old job.

Mr. Guay (St. Boniface): You are just jealous. You will never get there.

Mr. Beatty: I think a lot of Canadians would be jealous because they cannot have their jobs reclassified to get around the control guidelines.

[Mr. Beatty.]

During last summer I spoke with thousands of people in my constituency, to find out how they viewed the government's economic record and the problems they thought should be addressed by the federal government. One message was brought home to me: people in the business sector of our economy are frightened because they are uncertain about the future. They are tired of the situation where the rules change behind closed doors and where they are not consulted about what is going to take place. They are concerned because they expected the government, if it was anxious to improve trade and anxious to take people into its confidence as it said in the throne speech, to give an indication of how long controls would last and what would happen following their termination. Of course no indication was given. They are concerned because the government has two sets of behaviour, one for itself and one for everyone else. Certainly this is the case with controls and with many other policies the government has followed in the last several years.

Business people in my constituency are suffering from the government's neglect, its neglect of foreign trade and of any protection for our markets from foreign competition. Farmers suffered while beef was brought in from Australia and New Zealand, depressing Canadian prices. This applies to industry after industry when the government dragged its feet at a time when there was need for action. It must be apparent to everyone in the private sector that the government is hostile to business and that means it is hostile to the jobs of several thousand Canadians.

Time and time again business people in my constituency have expressed their concern about having to work in a climate of uncertainty because the government is not taking the people of Canada into its confidence. I do not think my constituency is much different from other rural constituencies. The industries located in the small towns are typical of the industries locate in other small communities in Ontario, dependent on trade and the auto pact, the textile industry or the furniture business. The thing that distresses me is that I see signs now that the jobs of thousands of people are in jeopardy because of the government's inability to take action in the area of trade and to be open, taking the Canadian people into its confidence about its plans for the future.

According to the figures prepared by the Department of Manpower and Immigration last year which were used to allocate money to each constituency for local initiatives programs, my constituency tied for the second lowest unemployment rate in Canada. Within the last year one industry which was considering expansion was forced to build a plant outside the constituency because of the labour shortage. But within a year, Mr. Speaker, the government had changed the picture. It is worth looking at what happened in my constituency because it is similar to what happened to other similar constituencies in Canada in the last couple of months.

In Fergus, GSW was forced to close one plant and 60 jobs were affected. In Palmerston the only industry of any size, Heritage Kitchens, which employed 60 people closed two weeks ago and the people did not have other jobs to go to, and

within the last 24 hours Junior Footware announced they would be closing their plant in Markdale and Mount Forest with a loss of 150 jobs in each instance. I referred this problem to the Minister of Industry, Trade and Commerce this afternoon and I appreciate his indication that he is willing to look into the matter. I hope he will do what he can to protect those jobs. In the small community of Arthur where Bell Thread is the major industry, it has been forced to cut back substantially on employment because of uncertainty about the government's textile policy caused by the importation of cheap textiles.

• (2110)

The Minister of Industry, Trade and Commerce today launched into a lengthy and partisan attack on our party and a very strident defence of his government's policy as it concerned the textile industry in Canada.

Mr. Baker (Grenville-Carleton): A defence of the indefensible.

Mr. Beatty: A defence of the indefensible, my colleague from Ottawa-Carleton says.

Mr. Baker (Grenville-Carleton): Grenville-Carleton.

Mr. Guay (St. Boniface): He does not even know your riding.

Mr. Beatty: It will not be very difficult in Ottawa after the next election because they will all be Conservative.

The minister made mention of the fact that this afternoon he spoke at a luncheon to the Canadian textile industry in Montreal. He said they concluded by giving him a standing ovation. I can understand the audience getting to their feet, but not for a standing ovation. More than likely they were getting ready to leave. Perhaps it may be worth while to put on record a letter from one of the people in the audience, the president of Bell Thread. It reads as follows:

> Further to my recent letter calling your attention to the serious condition that exists in the textile industry, mainly because of imports from the U.S.A. and low wage countries.
>
> I regret to advise the situation has deteriorated as far as Bell Thread is concerned. One department has been closed permanently causing the loss of 25 to 30 jobs and other departments are also being severely cut back causing a further loss of jobs. In addition, we are now on a four day work week. Needless to say this is creating hardship to our employees and their families.
>
> How can one plan with confidence for the future with this type of situation? Here we are on a direct contraction course when it should be one of expansion to create more job opportunities. We are mindful some efforts are being made by the government through certain recommendations, but we have seen no direct benefit.
>
> I might also add at the present time the Clothing and Textile Board is conducting an inquiry into injury caused by imports. We hope you will do everything possible to assist our cause when this is presented in the near future.
>
> May I respectfully once again request your co-operation to ensure the Minister of Trade and Commerce, the Hon. Jean Chrétien, is fully aware of our precarious position. If we allow these imports to continue at the present level, then one wonders how much longer our industry will survive.

That is the reason I raised this question in the House of Commons a week ago. The jobs of literally tens of thousands of people throughout rural Ontario are in jeopardy, but the government does nothing more than sit on the sidelines and issue news releases. In fact when I directed my question to the minister more than a week ago he suggested that I read his news releases issued over the past few weeks. I do not doubt that the minister issued news releases. However, I suggest that the issuance of copious news releases does more for the pulp and paper industry in Canada than the textile industry.

I talked to members of the industry in my constituency about the problems from which they are suffering. They made a number of points. It is worth contributing them to the debate because I hope there will be an open public debate in Canada. They stressed the fact that the exchange rate of the Canadian dollar was much higher than the American dollar, making it easier for foreign competitors to compete in our market. Time after time they were faced with the situation when shipping to foreign markets that their goods were subject to duties but there were no tariffs on goods in their lines being shipped into Canada.

A case in point is Uniroyal in Elmira, which manufactures agrichemicals. In many ways a company in the agrichemical business would be better off locating in the United States. They could ship into Canada without being subject to tariffs, whereas if they ship from Canada to the United States they are subject to tariffs. In addition there is the exchange rate on the dollar and the lower productivity in Canada.

The same situation applies in the case of companies which supply the auto industry. Throughout rural Ontario jobs are dependent upon supplying the auto industry. What has the record been under this government? The share of the market controlled by Canadians has been in a steady decline. It is worth looking at the figures. With regard to supplying parts to the automotive industry in Canada, figures made available by the U.S. International Trade Commission show that between 1963 and 1975 the percentage of the contribution made by Canadian industries or Canadian captive industries declined from 42 per cent to 18.2 per cent. This is in the Canadian market. The percentage contribution of the United States industries or American captive companies increased from 57.8 per cent to 83 per cent in 1975. Unless we give protection to Canadian industries in the Canadian market, there is no way they can survive.

My time has pretty well run out. However, I think it would be worth while to summarize the matter. Our party is concerned about the government's record in the whole field of trade, and its propensity to secrecy. Canadians are entitled to an open government. They are entitled to be consulted about the government's plans for the future. We believe industry has the right to have some confidence in future planning and some knowledge of what the government's policies will be.

We intend to do whatever we can in the House of Commons to bring pressure on the government to open up the doors, to allow Canadians in, to let them see the government's policies and to know the plans of the government. We intend to do what we can to provide a competitive position for Canadian industry, both in the Canadian market and abroad.

Canadian Trade Policy

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, I listened with interest to the hon. member for Eglinton (Mr. Sharp) give a summary of the Liberal party's contribution to the debate on free trade and protection. He accused the hon. member for York-Simcoe (Mr. Stevens) of not taking a stand with regard to free trade with the United States. He went on to say that the Liberal party wanted freer trade, promoted freer trade, and had been the party that was instrumental in increasing freer trade. We had a very biased and simplistic incursion into what is referred to as the commercial economic history of this country, involving both trade of goods and services and the monetary point of view, namely, the exchange rate policies followed by this country.

From the way in which the hon. member for Eglinton put his argument, it is plain that the Liberal party has been in favour of motherhood during the time he has been attached to it. As I understood him, the Liberal party has never been in favour of free trade in the sense of free trade with the United States. Obviously in modern times they have not been. Because of what happened in 1911, they never raised the matter again. I would not want to quibble with that.

The hon. member stated that our economy depends upon the export of natural resources. He stated that this accounts for roughly 25 per cent of our Gross National Product. Using the multiplier effect, there are millions of Canadians whose jobs are involved.

We had a special alliance with Britain when they were at the height of their colonial power in the nineteenth century. Orthodox arguments on free trade put forward by nineteenth century economists such as Ricardo were adopted as policy because it suited their colonial structure. It allowed them to get something that is still sought after today, cheap raw materials and cheap food from other countries. We understand that perfectly. In another sense we have been tied into a colonial structure because of the policies that have been followed vis-à-vis the United States. So it seems to me you gain nothing by asking members of the opposition whether they are in favour of free trade with the United States.

● (2120)

The hon. member for York Centre (Mr. Kaplan) made a great ado of the fourth goal that was set out in 1973 when the Tokyo round was first discussed, namely moving toward freer trade through sectors. Again this is a motherhood argument. If you do not have free trade with the United States in the textbook sense so that you have continentalism, for example, or some kind of trade such as that existing within confederation between provinces, you either take a protectionist stance or something in between. The hon. member for Eglinton seemed to be pointing out that this was the great virtue of the Liberal party. As I see the situation, international constraints have forced the government willy nilly into that position. Despite protests to the contrary, the government has not gone a long way to give us free trade.

The facts of the matter as I see them, Mr. Speaker, present a slightly different picture. First of all, in the Canadian context it must be admitted that the west, and the Atlantic region in particular, have paid one hell of a high price for the tariff protection measures implemented, first by a Tory premier of this country in 1879, which finally did not grip the country until 1890 and which have been pressed with abandon by Liberal governments.

If the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Beatty) is talking about rural and small town industry today collapsing in Ontario, let me tell him that he is not talking about the merchandise sector. As the hon. member for York Centre pointed out, there is a surplus of merchandise. However, it indicates that the tariff structure that has been part and parcel of this country is finally catching up with many industries which have been over-protected in Ontario. The textile industry is at a comparitive disadvantage, not advantage, in Quebec because it too has been over-protected.

Who has paid the high price of all this, Mr. Speaker? Of course the people of Canada have, especially those in the outer regions. They have had to buy these high-priced, protected goods, despite the claim of the government that it is all for free trade. It negotiated the auto pact and in the name of protecting the jobs of workers, or presumably so, the government refused to allow cars made in the United States to cross the border to be purchased by Canadians at the same price Americans pay plus distribution costs. No, the government has insisted on protecting that which does not need to be protected, unless it is that the government is protecting, as is so often the case, the shareholders of that industry. Certainly the government is not protecting jobs or helping the Canadian consumer.

Another argument of the hon. member for Eglinton seemed on the surface to be superficially acceptable. However, at no time did he put a dollar figure on what exactly this type of protection that he said was freer trade would cost the Canadian taxpayer. Nor did he make reference to any studies made while he was minister of trade and commerce.

Professor John Young, before becoming head of the prices and incomes board which has now gained some kind of ill-repute, did a study in British Columbia—I do not know whether one has been done since—and estimated that the protective tariff in its effective application, as opposed to what the hon. member for Eglinton argued, was costing Canadian consumers over $1 billion a year, and that was in 1960. I called an economist friend of mine and asked him today whether there had been any studies done recently. He said no, but there had been debates and suggestions to the effect that protection costs something close to $2 billion. I want to suggest to the hon. member for Eglinton that this is hardly something to boast about in support of freer trade.

The reason, or one of the reasons our manufacturing sector is in so much trouble now, and the reason we have such great difficulty freeing ourselves completely from our dependence on staples and natural resources, is that the government has followed a policy of overprotecting industries. I do not think that anyone at this stage would be senseless enough to argue that we should throw our whole trading patterns open to a free trade arrangement with the United States. But as the hon.

member for York Centre said, it is obvious that we should approach the question on a sectoral basis.

If I have one criticism to make of the hon. member for Eglinton and his party, it is not so much that of secrecy, though the general level of secrecy in government in the western world is now subject to criticism. Admittedly I came to this parliament two years ago idealistically, but I have been quite shocked at the amount of secrecy not only in government but throughout the whole bureaucracy.

Let me digress for a moment, Mr. Speaker, and tell the members of the House of an experience I had before ever entering politics. The Hawker-Siddeley Corporation of England owned a steel plant in Sydney which they left high and dry after milking it for as much as they could. It should have been nationalized long ago, but the federal government ran away from that and forced the provincial government of Nova Scotia to take it over. As a result we are still bothered by immense problems down there. Then the government set up the Cape Breton Development Corporation in 1967 in order to help correct Cape Breton's historic economic ills. But the government did not include the most important industry there, the steel industry. This was left to the small provincial government that did not have the expertise required to own it. The government said; "Look, we will throw DREE grants your way every now and then, but we will not actually put it under a Crown corporation".

I wanted to find out what type of subsidies were given the Hawker-Siddeley Corporation in their last five years of existence in the Cape Breton area as opposed to the help given under public ownership, and I wrote to the dominion bureau of Statistics, now Statistics Canada, which more and more is suffering ill-fame, and, so far as I can see, with good reason.

Mr. Gilbert: And notoriety.

Mr. Hogan: Yes, notoriety. I was told to whom to write. I wrote and told them I wanted information about this company, which at that time had departed two years ago. Do you know what they told me, Mr. Speaker? They said that according to the Official Secrets Act they could not disclose anything, even though this company was no longer there, unless I got permission from the head of that corporation. That is just nonsense, but it gives hon. members an idea of just how deep this whole secrecy business goes.

My major point of criticism of the government is that it does not seem to be giving, at least openly, any positive leadership so far as freer trade is concerned. Granted that we are all against free trade in the textbook sense because of the historical pattern of protection, but as I said before, and as hon. members opposite know, history finally catches up to you. They know that if one has an infant one is protecting, and allows that infant to grow up without letting it become really efficient, then one has to keep feeding and protecting that infant or person not at the nominal rate but at the effective rate. The hon. member for Eglinton seemed to skirt that issue.

• (2130)

In the manufacturing area in the western world we have one of the most highly protected economies. I would defy members on the other side to produce statistics to show that this is not true. The manufacturing sector of the Canadian economy is one of the most highly protected in all of the western world, so we do not have this type of freer trade or a tendency toward freer trade about which the minister talked. I admit that when we have a dependence of 20 per cent or 25 per cent of our Gross National Product in this area then we have to go along with the other countries. But as I see the scenario now I think there is time for Canada to try to give some leadership at GATT, whether they publicize it or not, because what we are seeing now is a very strong resemblance in many ways to the thirties, on the international scene.

The economists of the major countries are advocating that the major economies, the United States, Japan, and Germany start stimulating their economies so that the rest of the world's economies will pick up. I hope the Minister of Finance (Mr. Macdonald), who has followed John Turner, who in turn followed the Secretary of the Treasury in the United States, will take cognizance of the fact that our economy and the economies of the free world in general need some stimulation, and that we must take some kind of a chance on the inflation end.

We might look at what is happening in Italy and France. Each of these countries is following inflationary policies, with little or no growth, to try to get their exchange rates in balance. We can see the scenario now. Britain, Germany, and Japan will try to get into these markets and will not be able to get into them with freer trade. They will be forced to go to the United States. There is to be a new President there who wants to go into freer trade and who wants to stimulate the economy and so on. But the industries in the United States and the lobbyists and the pressure groups, despite the President's good intentions and philosophies, will push him into a more protectionist position. Therefore it is time that Canada and the countries of the free world really assert themselves because we are at a very important turning point in the international economy.

While one cannot draw too close an analogy between the depression of the thirties and the present, certainly despite the changing evolution and the application of fiscal and monetary policies, the free world now stands in a very precarious position if we are to turn more and more protectionist. It is not enough to say that we are over there at GATT and are trying to get the best deal. We should be establishing a position in which we firmly come out for more liberalized trade and a stimulation of the economy so that we can avoid the protectionism which destroyed the economies in the 1930's, and which some of the countries of the world, in an effort to protect themselves and stabilize their economies, are rushing into willy-nilly now. This might seem to be a pessimistic scenario but it is a very probable scenario. Given the present policies that are being followed by Britain, Italy, and France, and with the assumption that two of the most important countries, including the

second most important country in the western world from the point of view of economics, Germany, and Japan, will be effectively locked out from many of these markets, I repeat that they will attempt to get a larger share of the American market. But they will find all kinds of protectionist sentiment there.

So, Mr. Speaker, I think this debate is worth while if it highlights this type of thing, that the international economy is at a turning point and there is no way that Canada should go except toward freer trade, not free trade, and that we should plainly enunciate that as our position as a nation, not only for our own survival but for the survival of the free world.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I should like to bring to the attention of members of the House that from July 3, 1975, to April 6, 1976, a sub-committee for international development held 30 meetings and heard a number of witnesses, including Mr. Joe Morris, President of the Canadian Labour Congress, Mr. Maurice Strong, Ambassador Mills from Jamaica, John Turner, Professor Brecher from McGill University, and Professor Sabourin from the University of Ottawa regarding international trade and Canada's position in respect of the developing nations. We have discussed many aspects of trade and I should like to bring to the attention of the House some of the conclusions reached by this committee which was composed of members of all parties and which reached a unanimous position regarding its report.

Regarding the lowering of barriers to trade the committee stated:

> Determined international action will be needed if the developing countries are to obtain a fair share of the world's industrial activity and reverse the unacceptable trend in which they have a declining share of global trade in manufactured goods. Barriers to their products in the rich markets of the industrial world are among the principal causes for this situation and the reduction and removal of these barriers must be high priorities.

The committee also stated:

> The expansion or trade opportunities for developing countries in manufactured and semi-manufactured products will bring substantial benefits to Canadian consumers, in terms of lower prices on a wide range of goods. However, it will also involve major adjustments in Canada and elsewhere. If properly managed, this process will support and complement the kind of economic re-orientation which Canada must undergo in any event (as the recent work of the Economic Council of Canada has argued). This kind of adjustment will, over time, benefit Canadian workers as well as the many millions of unemployed and underemployed people in the developing world.

Then we have the following paragraph in the committee's report:

> One of the principal points emerging from the sub-committee's work was the need for predictability and reliability in the access which developing country producers enjoy in world markets. If there is to be a constant danger that exporters achieving any success in penetrating new markets will suddenly be confronted with new obstacles in the form of tariffs, non-tariff barriers, or quotas, this undermines the incentive for developing countries to make the tremendous effort and investment required to launch new export industries.

Regarding multilateral trade negotiations the committee recommended:

> Concerted multilateral action to reduce existing tariff and non-tariff barriers is an essential means of expanding the trade opportunities of the developing countries. Yet the process of the Multilateral Trade Negotiations is a slow and complex one, and the special trade concerns of developing countries do not appear to receive adequate priority.

[Mr. Hogan.]

● (2140)

This is especially true since the existing tariff system is specifically loaded against the developing countries in two important respects. First, the types of goods on which tariffs typically remain highest are those of principal interest to developing countries; and second, tariffs escalate markedly on processed or manufactured goods in contrast with the relatively low rates which apply to the raw materials from which they are produced. Canada clearly shares an interest with the developing countries in eliminating this tariff escalation, and Canada's own sectoral approach in the trade negotiations is designed to attack the escalation problem.

I know my time is very limited, Mr. Speaker, but I should like to discuss also the committee's report on adjustment assistance. The benefits of trade liberalization to the developing countries and, in the long run, to the Canadian economy, should not be allowed to obscure the fact that it will involve tough new competition for certain Canadian industries. Canadian industry is, of course, already highly competitive in many areas, and can be made more so in others. In some sectors where Canada cannot become economically competitive, there still may be sound reasons for maintaining a residual industrial capacity. But it must be recognized that some Canadian industries will have to be radically reorganized and some will probably have to be abandoned.

One of the principal themes of the subcommittee's evidence has therefore been the need for greatly expanded and improved schemes of adjustment assistance to help workers, industries, and localities most affected by low cost competition from developing countries to shift to new, more productive activities.

I should also like to read the subcommittee's recommendation that an early start be made on serious and extensive schemes in certain sectors, and that intensive planning should begin now to prepare for the more comprehensive adjustment challenges which will certainly arise from the multilateral trade negotiations. One of the first steps must be a serious and realistic study of which industries are threatened, of which can and should specialize in more competitive activities, and of which show no realistic prospect of survival without massive protection.

I have one or two minutes left and if I may I should like to conclude by commenting on the general economic climate in Canada and abroad. It is generally recognized that Canada's economy is highly dependent upon the growth rate of the major industrialized countries in the OECD, and particularly that of the United States. In this connection it should be recognized that while the economies of the major OECD countries have recovered from the worst recession of the post-war world, the recovery has as yet been moderate and is now showing some hesitancy. The OECD secretariat's mid-year outlook forecast that real GNP growth in the 24 member nations would slow to an annual rate of about 4½ per cent in the second half of 1976, after rising at 6½ per cent in the first half.

The Acting Speaker (Mr. Turner): Order, please. It being 9.45 p.m. it is my duty to interrupt the debate and put forthwith every question necessary to dispose of the proceedings now before the House, in accordance with Standing Order 58(9)(a).

The question is on the amendment of the hon. member for Waterloo-Cambridge (Mr. Saltsman). All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner): Call in the members.

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

● (2150)

(*Division No. 8*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Beatty
Beaudoin
Broadbent
Cadieu
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Crosbie
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Fortin
Fraser
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Jarvis
Jones
Kempling
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
Lawrence
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Murta
Neil
Nowlan
Nystrom
Orlikow
Paproski
Patterson
Pigott (Mrs.)
Ritchie
Rondeau
Saltsman
Schumacher
Stanfield
Stevens
Symes
Towers
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—79.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
Macdonald (Rosedale)
MacFarlane
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Turner
Watson
Whelan
Young—118.

● (2200)

Mr. Speaker: I therefore declare the amendment lost.

● (2210)

The question is on the motion of Mr. Stevens, seconded by Mr. Baker (Grenville-Carleton).

The House divided on the motion (Mr. Stevens) which was negatived on the following division:

(*Division No. 9*)

YEAS

Messrs.

Alexander
Alkenbrack
Allard
Andre (Calgary Centre)
Baker (Grenville-Carleton)
Beatty
Beaudoin
Broadbent
Cadieu
Clark (Rocky Mountain)
Clarke (Vancouver Quadra)
Crosbie
Crouse
Darling
Dick
Dinsdale
Dionne (Kamouraska)
Douglas (Nanaimo-Cowichan-The Islands)
Ellis
Elzinga
Epp
Fairweather
Firth
Fortin
Fraser
Gauthier (Roberval)
Gilbert
Gillies
Grafftey
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Hnatyshyn
Hogan
Holmes
Jarvis
Kempling

Messrs.

Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Lavoie
Lawrence
Marshall
Masniuk
Mazankowski
McCain
McCleave
McGrath
McKenzie
McKinley
McKinnon
Mitges
Murta
Neil
Nowlan
Nystrom
Orlikow
Paproski
Patterson
Pigott (Mrs.)
Ritchie
Rondeau
Saltsman
Schumacher
Stanfield
Stevens
Symes
Towers
Wagner
Whiteway
Whittaker
Wise
Woolliams
Yewchuk—78.

NAYS

Messrs.

Abbott
Allmand
Anderson
Andras (Port Arthur)
Andres (Lincoln)
Appolloni (Mrs.)
Basford
Béchard
Bégin (Miss)
Blais
Blaker
Blouin
Boulanger
Breau
Buchanan
Bussières
Caccia
Cafik
Campagnolo (Mrs.)
Campbell (Miss) (South Western Nova)
Caron
Chrétien
Clermont
Condon
Corbin
Corriveau
Côté
Cullen
Cyr
Danson
Daudlin
De Bané
Demers
Dionne (Northumberland-Miramichi)
Douglas (Bruce-Grey)
Drury
Duclos
Dupont
Dupras
Duquet
Ethier
Faulkner
Fleming
Flynn
Foster
Fox
Francis
Gauthier (Ottawa-Vanier)
Gendron
Gillespie
Goodale
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Herbert
Holt (Mrs.)
Hopkins
Isabelle
Jamieson
Jones
Joyal
Kaplan
Lachance
Lajoie
Lalonde
Landers
Lang
Langlois
Leblanc (Laurier)
LeBlanc (Westmorland-Kent)
Lee
Lefebvre
Lessard
Loiselle (Chambly)
Loiselle (Saint-Henri)
Lumley
Macdonald (Rosedale)
MacFarlane
Maine
Marceau
Marchand
Martin
McIsaac
McRae
Milne
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Parent
Pearsall
Pelletier
Penner
Philbrook
Pinard
Portelance
Poulin
Prud'homme
Railton
Raines
Reid
Roberts
Robinson
Rompkey
Rooney
Roy (Laval)
Sauvé (Mrs.)
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stollery
Tessier
Trudeau
Turner
Watson
Whelan
Young—119.

Mr. Speaker: Therefore I declare the motion lost. It being after ten o'clock this House stands adjourned until two p.m. tomorrow.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, November 10, 1976

The House met at 2 p.m.

BUSINESS OF THE HOUSE

PROCEDURE TO DEAL WITH MOTIONS RELATED TO REMEMBRANCE DAY

Mr. Speaker: Order, please. The House has resolved that tomorrow it will not sit in order that members can be at the Cenotaph, and that members will not sit here on Friday to facilitate that very important activity by federal members. There are several notices of motions related to Remembrance Day pursuant to Standing Order 43.

Order, please. May I ask those in the galleries to please keep silent.

A number of indications have been given to the Chair of the intention on the part of private members, which is quite understandable, to put motions related to the recognition of Remembrance Day. It is certainly not the intention of the Chair to interfere with that; however, it does seem to the Chair that such an expression should come from the House as a whole as opposed to it being at the initiative of any one member. This places the Chair in the somewhat invidious position of singling out the first among several members who might want to take the responsibility to move a motion in the House related to such an expression. I sought advice and am now informed that at three o'clock this afternoon a minister of the Crown proposes to rise to make a statement, which will be followed by appropriate statements from each of the parties. So, I wonder if I might invite the co-operation of hon. members to await that event rather than putting individual motions forward pursuant to Standing Order 43 on this very important subject.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

THE CANADIAN ECONOMY

PROPOSED INTRODUCTION OF BUDGET TO IMPROVE ECONOMIC SITUATION—MOTION UNDER S.O. 43

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. In view of the fact that the consumer price index figures for three months reflect an annual rate of 8.3 per cent and an astounding annual rate of 10.8 per cent in the past month while real growth increase stagnates, and in view of the fact that 748,000 Canadians, 7.6 per cent of our work force, are now out of work—an increase of more than 53,000 since the May budget, a figure we predicted in our response to that budget—I move, seconded by the hon. member for Grenville-Carleton (Mr. Baker):

That this House instruct the Minister of Finance to consider the advisability of introducing a budget which will more effectively encourage job creation, export development and stable prices, and to consider whether such a budget could be presented before our Christmas recess.

Mr. Speaker: Such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SUPPLEMENTARY RETIREMENT BENEFITS ACT

PROPOSED AMENDMENT TO PERMIT ANNUAL ESCALATION OF PENSIONS OF MEMBERS OF ARMED FORCES AND MOUNTED POLICE—MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43 I ask leave to present a motion of serious urgency to many Canadians. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

● (1410)

That this House urges the President of the Treasury Board to introduce at an early date the necessary amendments to the Supplementary Retirement Benefits Act, so that retired Canadian Armed Forces and Royal Canadian Mounted Police personnel will have their pensions escalated annually, in accordance with the rise in the cost of living, commencing in the year following the year of retirement, regardless of age, thus ending the unfair discrimination that applies to many of such personnel.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Hydro Rates

THE CANADIAN ECONOMY

REQUEST FOR STATEMENT ON MEASURES TO CREATE JOBS FOR THE UNEMPLOYED—MOTION UNDER S.O. 43

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to move a motion dealing with a matter of urgent and pressing necessity.

In view of the fact that yesterday's Statistics Canada figures disclosed that the unemployment rate in Canada in October was the highest in 15 years and that the unemployment rate in October for young people between the ages of 15 and 24 has reached the rate of one out of every nine people in that age group, I ask for leave to move, seconded by the hon. member for Hastings (Mr. Ellis):

That this House regrets the government's failure to provide the stimulus needed to create jobs for Canada's unemployed, and particularly for young people who are unemployed, and instructs the Minister of Finance to make a statement on motions at the earliest opportunity disclosing what special measures the government intends to take to deal with this problem.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be presented only with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ANTI-INFLATION BOARD

SUGGESTION BOARD REVIEW PROPOSED RATE INCREASE BY ONTARIO HYDRO—MOTION UNDER S.O. 43

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity.

In view of the fact that the Ontario Conservative government is planning to implement a 30.3 per cent increase in hydro rates in Ontario, and in view of the fact that such an increase makes a mockery of the federal government's so-called anti-inflation program, and in view of the fact that such a large increase would literally wreck the budgets of low income Canadians, I move, seconded by the hon. member for Broadview (Mr. Gilbert):

That this House instruct the federal Anti-Inflation Board to review this increase with a view to rolling it back, in line with the guidelines which have been established for wage increases.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[Mr. Speaker.]

[*Translation*]

CANADIAN BROADCASTING CORPORATION

SUGGESTED COMMITTEE STUDY OF ALLEGED REFUSAL TO ANNOUNCE OPENING OF FRENCH STATION IN REGINA—MOTION UNDER S.O. 43

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to present a motion on an urgent matter of national interest concerning specifically the duty of the CBC to promote national unity and reflect the Canadian reality.

Considering that on Monday November 8 the CBC refused to broadcast on the national network the inauguration of another link in the chain of local French-speaking stations in Regina because, according to the directors, this was not a matter of national interest, I move, seconded by the hon. member for Ottawa-Vanier (Mr. Gauthier):

That the house refer this matter to the Standing Committee on Broadcasting, Films and Assistance to the Arts so as to reconsider the priorities set by the directors of the CBC French-speaking network in the light of the specific duty imposed on it by the legislation.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, such a motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent; therefore the motion cannot be put.

ORAL QUESTION PERIOD

[*English*]

NORTHERN CANADA POWER COMMISSION

GOVERNMENT POSITION ON PROPOSED RATE INCREASES—REQUEST FOR TABLING OF REPORT OF TASK FORCE AND AMENDMENT OF SECTION TEN OF ACT

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. My question arises out of the massive power rate increases proposed by the Northern Canada Power Commission, which will total 89 per cent for Yellowknife consumers and 100 per cent for those living at Fort Simpson. As the minister knows, many of the people involved there are either pensioners or native people living on fixed incomes. As he also knows, these proposed increases will take effect only with the approval of the Cabinet. I should like the minister to tell us whether the cabinet intends to approve this unfair increase on the people of the northern territories.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, these rates which were announced yesterday by the NCPC were given notice of one year ago. What is being done at the present time is that the rates have been referred to the AIB for examination and also within our department the former minister set up a task force to examine them to see what sort of relief might be given. I expect to get their report next week.

Mr. Clark: A supplementary question. I should like, first of all, to have a guarantee from the minister that once the task force reports, its recommendations will be made available to the House of Commons forthwith and not hidden, as has happened with so many reports made available to this government. I should like also to ask the minister whether, in light of the recurrent problems involved in NCPC and the recurrent unfairness to the people of the north, the government will consider making changes in the legislation regarding the NCPC, in particular whether they will amend section 10 of the act which requires a self-sustaining capacity for NCPC?

Mr. Allmand: Mr. Speaker, in examining the task force report, which I hope to get next week, that suggestion will be examined as well.

* * *

ANTI-INFLATION PROGRAM

REQUEST FOR ACTION TO STOP PRICE INCREASES IMPOSED ON RESIDENTS OF NORTHERN CANADA

Mr. Joe Clark (Leader of the Opposition): A final supplementary for the Prime Minister, Mr. Speaker. We understand from the Minister of Indian Affairs and Northern Development that there has been a reference of this matter to the Anti-Inflation Board. That simply draws attention to the inconsistency of the government's approach whereby on the one hand they have been using the Anti-Inflation Board to restrict increases in wages of people in northern Canada while through another agency they are pushing through the system and imposing upon consumers in that region extravagant power rate increases. Will the Prime Minister give the House a guarantee now that action will be taken by his government to change that situation, where unfair increases are imposed upon consumers in northern Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member refers to the AIB action as regards wages but seems to neglect the fact that they also act on prices and that the Consumer Price Index is considerably lower—almost half the rate it was last year.

Some hon. Members: Hear, hear!

NORTHERN CANADA POWER COMMISSION

PROPOSED INQUIRY INTO OPERATIONS OF COMMISSION—REPORT OF TASK FORCE ON COST OVER-RUNS ON AISHAK AND STRUTT LAKE PROJECTS

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In view of the fact that northerners will pay from 12 cents to 15 cents per kilowatt or nearly four times the price paid by people in the south for electricity, will the minister grant the demands of many northern Canadians and initiate a fully fledged, exhaustive public inquiry into the operations of NCPC?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think I would want to consider all these suggestions when I consider the report of the task force next week.

Mr. Neil: Mr. Speaker, a supplementary question. The minister refers to the task force and I understand there is also a task force set up to investigate the over-runs of costs in the Aishak and Strutt Lake projects. I wonder if he has received that report and if so would he table it? If he has not received it would he undertake to table it as soon as it is received?

Mr. Allmand: Mr. Speaker, I cannot recall receiving it but I will look into the suggestion.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—EFFECT OF JOB CREATION PROGRAM DURING FIRST HALF OF 1977

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Finance. Tables were delivered to me this morning which were produced by the minister's department. They show that during the first half of 1977 his officials anticipate unemployment will average 7.5 per cent and that during the same period they anticipate a significant drop in the number of jobs created. I just passed a copy of the table over to the minister. Given this information would the minister not agree that the paltry program of his colleague the Minister of Manpower and Immigration, which will not even come into operation until April 1, 1977, will not alleviate—could we have order please? I know you have just discovered unemployment. Would you listen?

Some hon. Members: Oh, oh!

• (1420)

Mr. Broadbent: Mr. Speaker, would the minister not agree that the program brought in, as announced by his colleague, will not affect the unemployment situation during the first six months of 1977?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, what the hon. gentleman refers to as a paltry sum

amounts to $358 million, so that it is a question of the order of values. To me at least, that is an impressive sum of money.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): With regard to the rate of unemployment during the coming winter, as I indicated in response to questions yesterday we are giving this matter close analysis at this time and considering what program changes we might bring about, bearing in mind, however, that in our undertaking to restrain the increase of growth of government expenditures we have a relatively narrow margin within which to act.

Mr. Broadbent: Mr. Speaker, in order to get the full implication of the minister's policy before the House, may I ask this: Is the minister saying that the sum of money to which he referred, most of it being simply a re-introduction into the system of cutbacks which were announced in connection with other government legislation and earlier policy decisions, will be adequate to provide jobs for the hundreds of thousands of Canadians who are out of work now and for those Canadians who, as his own officials indicated, will be increasingly unemployed in 1977?

Mr. Macdonald (Rosedale): Mr. Speaker, there is $100 million coming in this winter, and as I indicated $358 million coming in during the course of the spring. These are significant sums of money in relation to public expenditures at any time. Therefore, I suggest to the hon. gentleman that it is distorting the order of values to refer to more than $400 million as paltry.

UNEMPLOYMENT—PROPOSED NEW BUDGET INCLUDING TAX CUTS TO DEAL WITH PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, bearing in mind that we have lost $6 billion in production because of unemployment, I say to the minister that the sum is peanuts. May I direct my final supplementary question to the Prime Minister? Since the Prime Minister, in reply to a question I had directed to him as reported at page 141 of *Hansard*, said that forecasting unemployment rates in Canada is "beyond our power to state"—the Prime Minister was referring to the cabinet—and since both the Department of Finance and the Department of Manpower and Immigration according to information I have obtained have miraculously acquired the ability to forecast rates for next year and say we are going to have unemployment rates between 7.5 per cent and 8 per cent for the year, will the Prime Minister positively assure the House that before Christmas the government will introduce a new budget which will include measures to deal with this serious situation, specifically a tax cut for medium and low income Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that the very evidence the hon. member is bringing forward indicates that the Department of Finance and the Department of Manpower and Immigration are concerned about that particular economic situation. If they are concerned about it, the reason obviously is that they are discussing policy responses. The hon. member will hear of the policy responses in the House just as he hears other news about the government.

* * *

[*Translation*]

FINANCE

MEASURES TO STIMULATE INVESTMENT IN EASTERN CANADA—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Finance.

Considering the increasing pressure in the Canadian economy, particularly because of the rising cost of energy which results in great hesitation in the area of investments, in particular among private companies, which does not help at all in the fight against inflation, can the Minister of Finance tell the House whether his department intends to come up with new ideas to improve the situation so that these companies can be more confident in the future, particularly those which operate in eastern Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not follow the hon. member's argument completely, but I can assert that the government is now giving a subsidy of nearly $1.4 billion to reduce the cost of energy in Canada. We have other programs under the responsibility of my colleague the Minister of Regional Economic Expansion, particularly in eastern Canada.

DIFFICULTY IN OBTAINING INVESTMENT IN DISADVANTAGED REGIONS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to direct a supplementary question to the minister in charge of investments.

Can the minister advise us whether his colleague and his department are prepared to consider regional disparities more thoroughly? We may face now a very difficult situation. Western Canada does not look very much like eastern Canada, economically speaking.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I could answer the hon. member that our department is indeed continually considering regional economic disparities, including those in the regions he is mentioning. That is why our programs in conjunction with provincial governments are established with a view to developing the economic potential of those regions over a lesser or longer term. That is why we are making arrangements with provincial governments including the province of Quebec. Particularly, with the development of his own region's industrial sector in mind, we have established industrial areas and industrial structures and infrastructures which have already had results. New industries will provide jobs in a far more dynamic

endeavour than the traditional industries which exist in those communities.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

PROPOSED APPOINTMENT OF CHIEF FINANCIAL OFFICER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. It has to do with the financial management and control mechanisms of the government of Canada. In view of the fact the Auditor General's last report highlighted, and indeed stressed, the very serious deficiencies in the financial management and control mechanisms of the government of Canada and recommended the appointment of a chief financial officer or controller general as well as in light of the refusal by the previous President of the Treasury Board to implement this recommendation, will the minister assure the House that he is not afflicted with the same intransigencies as his predecessor and advise what steps are being taken to implement this very important recommendation.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I think I addressed myself to this very same question put by the hon. member two or three weeks ago. I will repeat for his benefit that the recommendation of the Auditor General is indeed being considered very seriously. We have taken very specific steps in the meantime. My predecessor took very important steps to appoint a deputy secretary with this responsibility within the Treasury Board and to augment the facilities of that deputy secretary to better enhance his ability to provide financial and audit management. Indeed, the whole series of measures which are now known by the House and contained in the Auditor General's bill, given first reading the other day, is further indication of concrete action that we are taking and, in fact, there will be more.

REQUEST FOR REPORT ON IMPLEMENTATION OF RECOMMENDATIONS OF AUDITOR GENERAL

Mr. Don Mazankowski (Vegreville): The Auditor General stated "I consider this the single most important financial executive job in the whole of Canada." While the minister has at least recognized the problem and has established the financial branch, the fact remains that this is not an adequate answer to meeting the deficiencies set out by the Auditor General. When can we expect the minister to table a progress report in this House on the implementation of the recommendation so that parliament and the people of Canada can see just what steps the President of the Treasury Board is taking to overcome this very serious mess?

Hon. Robert K. Andras (President of Treasury Board): Mr. Speaker, I think we are going around in circles to a degree. I already indicated and the House is aware of very specific and significant steps that have already been taken. Indeed, more will be forthcoming. I will seize a pertinent opportunity to acquaint the hon. member and his colleague about those details, probably on the occasion of second reading of the Auditor General's Act that is now before the House.

Mr. Mazankowski: The Auditor General has already warned Canadians that unless some basic and fundamental changes are brought to the financial control mechanisms in Canada, the day may come when he cannot give a clear certificate on the accounts of Canada. Is the minister now assuring this House that day will not become a reality or can we expect another stinging indictment from the Auditor General when he brings forth his report due to be tabled before the end of this year?

Mr. Andras: Mr. Speaker, there is an element of a hypothetical question in the hon. member's comments.

• (1430)

REASON FOR FAILURE OF ACCOUNTS TO SHOW LOSS FROM SALE OF ATOMIC REACTOR TO ARGENTINA

Mr. James Gillies (Don Valley): Mr. Speaker, my question is directed to the President of the Treasury Board. In view of the consequences of the sale of a nuclear reactor to Argentina, disastrous in terms both of morality and of the financial implications, would the minister tell us why, in the accounts of the Atomic Energy of Canada, no provision is made for the losses sustained in that sale?

Hon. Robert K. Andras (President of the Treasury Board): I would have to refresh my memory as to what has been tabled but I believe I am safe in saying the figures will show up before too long.

Mr. Gillies: Inasmuch as the Auditor General has already drawn attention to this omission, may we have an assurance that in the next tabling of the public accounts losses by Crown corporations will be shown?

Mr. Andras: I will certainly take that under advisement.

* * *

SOCIAL SECURITY

PROPOSAL TO ALLOW VOLUNTARY RETIREMENT AT AGE SIXTY—GOVERNMENT POSITION

Mrs. Ursula Appolloni (York South): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Bearing in mind the alarming increase in the numbers of unemployed youths, and because many of the older members of the labour force are physically worn out yet unable to afford early retirement, can the minister tell the House whether a study has been made of the question of allowing voluntary retirement at age 60 with relative payments under the Canada Pension Plan?

Hon. Marc Lalonde (Minister of National Health and Welfare): This is a question which was studied rather exten-

sively during the course of the social security review. I have asked my officials to update that particular study; indeed, I believe it has been recently updated. If the hon. member is interested in the conclusions of that examination, I will be happy to make them available to her.

* * *

GOVERNMENT ADMINISTRATION

IMPLEMENTATION OF RECOMMENDED CHANGES IN FORM OF ESTIMATES—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the President of the Treasury Board. Given the recommendations of the public accounts and the Auditor General in 1975 regarding the form of the estimates, and in the light of the statement by the Auditor General's office that there is at present inadequate information to enable parliament to establish the accountability of government, I ask the minister whether it is his intention, now that we are about to be faced with supplementary estimates which are in themselves an example of government spending out of control, to bring in specific recommendations with regard to the form of the estimates so that the House can at last have some information about the free spending habits of this administration?

Hon. Robert K. Andras (President of the Treasury Board): The supplementary estimates about to be tabled will give a clear indication of the stringent degree of control which has been exercised, since they are considerably less than was the case in previous years.

An hon. Member: We hope so!

Mr. Basford: Yet day after day you want more money spent on something.

Some hon. Members: Oh!

Mr. Andras: Leaving that aside, the whole form of the estimates and the information conveyed to the House is being examined, as I indicated to the hon. member for Vegreville in answer to a similar question a few days ago.

PROPOSAL THAT ESTIMATES OF ONE DEPARTMENT DESIGNATED BY OPPOSITION BE EXAMINED BY HOUSE

Mr. James A. McGrath (St. John's East): Given the seriousness of this matter and the total frustration felt by the House in its attempt to deal with it and in light of the statements by the Auditor General, may I ask the minister whether he is prepared, notwithstanding the work of the committee on procedure and the standing orders of the House, to recommend that the estimates of at least one department of government to be designated by the official opposition be brought back to this House for examination without any limitation as to time?

[Mr. Lalonde.]

Mr. Speaker: Order. I find it difficult to see how that falls within the administrative competence of the President of the Treasury Board.

ALLEGATION DEPARTMENTS ENCOURAGED TO SPEND ALL AVAILABLE FUNDS—GOVERNMENT POSITION

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I, too, would like to address a question to the President of the Treasury Board. In view of a statement by Pat Lafferty of the Auditor General's office to the public accounts committee on March 23 to the effect that managers have been specifically encouraged to ensure that all available funds are spent by the end of the year, and since this clearly shows there is no incentive for public servants to be efficient with the public's money, but, rather that there is actually a strong incentive built into the system to the contrary, would the hon. gentleman inform us whether he has any plans to rectify this scandalous situation?

Hon. Robert K. Andras (President of the Treasury Board): If, in fact, such a practice ever existed, the restraint program and the monitoring system now in process will certainly eliminate any tendency in that direction. But I do not believe this is a widespread practice.

ALLEGATION BY AUDITOR GENERAL NO WAY OF DETECTING FRAUD

Mr. Ray Hnatyshyn (Saskatoon-Biggar): If the President of the Treasury Board would care to look at the proceedings of the public accounts committee for March 23 he would understand what I am talking about. I would draw his attention, now, to the following statement by the Auditor General:

> What worries me quite a bit is that if there is fraud occurring there is really not much evidence of important ways by which it can be detected.

With that statement in mind, will the minister inform the House of the steps he will be taking to remedy this appalling situation?

Hon. Robert K. Andras (President of the Treasury Board): As usual, the hon. member, like some of his friends, is indulging in overkill and over-statement.

Some hon. Members: Oh!

Mr. Andras: Notwithstanding this, we take a very serious view of the matter. But I would point out that the same question has been floating around during the question period in a different form for a long time.

NATIONAL ENERGY BOARD

ILLEGAL TRANSFER OF OPERATING COSTS TO ENERGY SUPPLIES ALLOCATION BOARD—DISCIPLINARY ACTION

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question, also, is directed to the President of the Treasury Board. Since there is evidence from the Standing Committee on Public Accounts that the action taken by the National Energy Board in transferring $90,000 of its operating costs to the operations of the Energy Supplies Allocation Board clearly contravened the provisions of the Financial Administration Act and was illegal, and in view of the fact that the committee recommended in its sixth report that disciplinary action be taken immediately by the minister, can the hon. gentleman now advise the House what action has been taken in this matter; specifically, who was disciplined and to what extent?

Hon. Robert K. Andras (President of the Treasury Board): I am informed that on August 16 my predecessor wrote to my colleague, the Minister of Energy, Mines and Resources, drawing attention to this recommendation of the standing committee. I do not have details as to the disciplinary action which was taken in the matter but I am advised by my colleague that he has taken an extremely serious view of the situation and introduced measures to ensure it will not occur again.

* * *

GOVERNMENT ADMINISTRATION

REQUEST FOR ASSURANCE ACCOUNTS OF ALL CROWN AGENCIES AUDITED BY AUDITOR GENERAL

Mr. Dan McKenzie (Winnipeg South Centre): A further question to the President of the Treasury Board, Mr. Speaker. According to the 1976 public accounts, the financial statements of certain Crown corporations were checked by private accounting firms. Will the minister arrange that in future the accounts of all Crown corporations and government agencies are dealt with by the Auditor General?

Hon. Robert K. Andras (President of the Treasury Board): That matter has been considered and there have been discussions with the Auditor General with regard to it.

Mr. Baker (Grenville-Carleton): Everything is under study.

Mr. Andras: For the very good reason that this is not as simplistic a subject as the hon. member for Grenville-Carleton would imply.

Mr. McKenzie: Can the minister tell us whether the government intends to implement recommendation 17 contained in the report of the independent review committee of the Auditor General which recommends that the Auditor General should have right of access to the financial records and documents of all Crown corporations such as Air Canada, and will he be instructing the Auditor General to carry out detailed and complete audits of the accounts of all Crown corporations and government agencies, not just general reviews?

Mr. Andras: The detailed answer to that question will be available to the House when I make my comments on the second reading of the Auditor General's bill.

* * *

TRANSPORT

REASON FOR HOLDING MONEY IN REVOLVING SURPLUS ACCOUNT IN CONNECTION WITH AIRPORTS

Mr. Allan Lawrence (Northumberland-Durham): I might preface my question by saying, Mr. Speaker, that our "overkill" cannot possibly match the government's over-spending. My question, too, relates to the Auditor General's report but it is directed to the Minister of Transport. It should be the cardinal rule of governments everywhere—

Some hon. Members: Question!

Mr. Speaker: Perhaps the hon. member would ask his question.

Mr. Lawrence: In view of the treasury board regulation which prevents the slop-over of surpluses from one one department, agency or program to another, what possible justification can the minister have for holding back, in a revolving surplus account, the sum of $65 million this year for use in relation to airports?

An hon. Member: That is for travelling expenses.

Some hon. Members: Oh, oh!

• (1440)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I can assure the hon. member that the airport revolving account was set up for the purpose of making sense of our investments in our airports across the country and to assure, from an accounting point of view, we were able to have the air mode completely responsible for the costs associated with it.

* * *

GOVERNMENT ADMINISTRATION

SUGGESTION DEPARTMENTS NOT HOLD OVER SURPLUSES FROM YEAR TO YEAR

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, as this item is specifically criticized by the Auditor General, along with another one in the Department of Supply and Services for $3 million, I now ask the President of the Treasury Board whether at long last he will enforce the regulations of the Treasury Board so that there will be absolutely no surplus held over from one year to another which effectively destroys any possibility we have in this House of

getting to the reasons for any surplus or deficit in any such fund as that of the minister.

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I could give that assurance except where it affects a policy decision. But there will be such revolving funds which I do not think is a bad practice at all.

* * *

ANTI-INFLATION BOARD

REASON BOARD FAILED TO PREVENT INCREASES IN HOUSING COSTS

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Finance. Since the consumer price index which was released this morning shows that the housing component has increased 11.1 per cent in the past year compared to a 10.4 per cent increase when the government's controls program was brought in, can the minister indicate to this House the reason for the increase? Will he make a statement to the House on motions next week presenting information from his department why the Anti-Inflation Board has not prevented the further escalation in housing costs?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, if I could draw the hon. member's attention to the release of Statistics Canada this morning, he will note that the principal reason for the increase in the housing component of the consumer price index was the increase in municipal taxes in Canada which comes into the October figure. As I have had occasion to mention to the House before, the government of course is not in a position to control the taxation policies either of the provincial or municipal governments, and for this reason the anti-inflation program has not been in a good position to restrain those increases which it is true the consumer must pay.

REASON FOR REVISED GUIDELINES ON PRESS AND PROFITS OF LAND DEVELOPERS

Mr. John Gilbert (Broadview): Mr. Speaker, I am sure the minister realizes it is not only municipal taxes but is also the land profits that have been made. Since the major Canadian land developers are reporting huge profit increases such as Cadillac Fairview up 64 per cent, Markborough Properties up 30 per cent and Genstar up 21 per cent, can the minister indicate to this House why the government approved last Friday the revised Anti-Inflation Board regulations which widened even more significantly its guidelines on prices and profits of land developers?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, one of the principal reasons was that the land realization price of course would not be an increase in price which has occurred only during the control period. It may well indeed reflect the ownership of the land extending well before the period of controls became effective. We have indicated for the period of the controls that any increase that occurs during the period of the controls, on the contrary, would not be entitled to be taken out of income or be exempt from excess revenue.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REASON CORPORATION FAILED TO ANNOUNCE OPENING OF FRENCH TELEVISION STATION IN REGINA

Mr. Eymard Corbin (Madawaska-Victoria): Mr. Speaker, my question is directed to the Secretary of State for Canada who is undoubtedly concerned about national unity and upholding minority rights.

I would like to know if the minister intends to ask the CBC why its news service did not see fit to include an excellent news about the opening of a French television station in Regina, that is CBKFT, on November 8, 1976? Would it not be an arrogant attitude on the part of the CBC?

[*English*]

Hon. John Roberts (Secretary of State): Mr. Speaker, I shall certainly pass on the concern of the hon. member to the CBC and seek an explanation. Perhaps I could indicate to the hon. member that there is today another station opening in Vancouver. I am sure this House will be happy to know that the CBC is extending its facilities in this way.

* * *

REGIONAL ECONOMIC EXPANSION

PURPOSE OF MEETING OF OFFICIALS IN MONCTON—POSSIBILITY OF PARTICIPATION BY BUSINESS AND LABOUR

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. Can he confirm that meetings have been held in Moncton in the last few days between his officials from Ottawa and the local department of DREE? Would he advise what the purpose of these meetings is and if they have been behind closed doors whether consideration has been given to inviting participation from business and labour organizations in the region.

[*Translation*]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, I can certainly confirm that my department officials hold regular meetings with provincial authorities and representatives of private enterprises under their jurisdiction. Unfortunately the hon. member did not give enough details so I cannot link those meetings with any specific case he might have in mind. If he wants to be more specific, I may be able to give him a clearer answer.

[*English*]

AGRICULTURE

POSITION OF GOVERNMENT ON AGRICULTURAL TRADE AT GATT TALKS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In past years—and when I say past years I am thinking back in the fifties—at times Canada's farm exports saved the country quite large trade deficits. I should like to ask the minister if he would indicate to the House the position the government has taken on agricultural trade at the GATT talks that are going on at the present time in Geneva.

Hon. E. F. Whelan (Minister of Agriculture): Well, Mr. Speaker, if the hon. member wants this in complete detail it would take much too long to do that during the question period. There are the consultations which are taking place between the provinces and the Department of Industry, Trade and Commerce and so on. I also want to inform the hon. member that at the present time the members of the Canadian Grains Commission are in different parts of the world outlining the different grades of grain that we have for sale to the millers and the grain dealers in the world. They are doing this type of thing all the time.

Mr. Murta: Mr. Speaker, that was not any answer at all. The minister knows full well what I was asking him. I would say further that if he does not have a policy he should say so publicly at the present time. I should like to ask him to pursue this point a little further. It seems that with the world food prices levelling off it will be vital to push for improved access to world markets for our agricultural products. The minister obviously could have said that himself had he wanted to. I should like to ask the minister if the government is prepared to take a tougher stand on the need for a freer trade policy so far as agricultural products are concerned. I have narrowed it down and maybe he can answer that question.

Mr. Speaker: Order, please. Surely the hon. member will realize that this is a question of much too general a nature to be considered in the question period.

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STATISTICS CANADA

REQUEST FOR REPORT ON ALLEGED CONFLICT OF INTEREST SITUATION OF EMPLOYEES AND TABLING OF CORRESPONDENCE

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce with regard to the Statistics Canada matter. Last week the minister left the impression that what was being reported in the press was a relatively minor matter and now we know there is a full internal inquiry going on and that Mr. Kirkham, the Chief Statistician, has asked his senior staff to file financial and interest statements with him. In fact that was to have been done last Friday. This is really quite a change in the circumstances from last week to this week. Would the minister report to the House whether or not he has any new information concerning this matter today.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I have talked to Mr. Kirkham. He tells me there is no problem, that the people have filed their reports if they had any. Some of them are teachers at the university. I do not see any problem about that. A few of them have investments in other businesses. I am told that one has invested some of his savings in a hairdressing business and I do not see any conflict of interest there. So I am quite satisfied that the Chief Statistician has made sure he is taking all the necessary steps to remove any doubt and to re-establish the integrity of this very good institution.

Mr. Baker (Grenville-Carleton): Mr. Speaker, I am glad that that is the report the minister can make to the House with regard to the matter. However, there is continuing speculation on the part of the public with respect to this matter. If I may say so to the minister I think it would be in the best interests of Statistics Canada and perhaps even of the minister if this public speculation were laid to rest once and for all. With regard to that matter, would the minister agree now to table in this house publicly and openly all correspondence and other documents that have been the subject of questioning in this House of Commons and speculation so that judgment can be ultimately and finally made.

Mr. Chrétien: Mr. Speaker, you know I think the best way to stop any speculation is not to ask silly questions like those of the hon. member.

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COMMUNICATIONS

AGREEMENT WITH MANITOBA ON CONTROL OF CABLE TELEVISION—CONFLICT WITH DECISION OF CANADIAN RADIO-TELEVISION COMMISSION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is for the Minister of Communications. Has the minister made an agreement with the province of Manitoba so that the province, through its own phone system, will own and control the cable system of that province, and is this agreement to be a precedent to be followed in other provinces.

Will you boys keep quiet. Mr. Speaker, I am trying to communicate with the Minister of Communications.

• (1450)

Mr. Speaker: Order, please. I have the impression that the hon. member has adequately communicated with the minister. Perhaps he would give the opportunity to the minister now to communicate with him.

Hon. Jeanne Sauvé (Minister of Communications): I hope I understood the question well enough, Mr. Speaker. It seems to me that the hon. member is asking me if I have signed an

agreement with the government of Manitoba. I can tell him that yes, a few hours ago I did sign, in the name of the government of Canada, an agreement with the government of Manitoba relating to new arrangements between the two governments in the field of cable. Let me tell him what it is all about if you will bear with me, Mr. Speaker. This arrangement provides for guaranteed access for cable operators to the cable. It provides for priority of the broadcasting signal over other services on the cable, and it provides a guarantee that only CRTC licensees will have access to that cable. It also provides a possibility for cable operators to rent some of their hardware from the telephone companies, thus facilitating certain problems we have had with the condition of hardware ownership set out by the CRTC. I think this whole agreement shows the desire of this government to accommodate the provinces and its desire to establish an efficient and economical system of telecommunications, provided that the unquestionable jurisdiction of the federal government over broadcasting is recognized.

Mr. Nowlan: I thank the minister for her full answer on this complicated subject and unique arrangement. I should like to ask the minister very seriously, since this agreement appears to be in fundamental conflict with CRTC decisions on cable on September 15 awarding cable licenses in Manitoba, whether the minister can tell the House if this unilateral *de facto* reversal of CRTC policy means that the commission for all practical purposes is presently "defunctus"—

Some hon. Members: Oh, oh!

Mr. Nowlan: —until the minister brings in new legislation setting herself up as the czar of communications.

Some hon. Members: Czarina.

Mrs. Sauvé: Mr. Speaker, section 23 of the Broadcasting Act gives the governor in council authority to either set aside or refer back a decision of CRTC. Two of the decisions of CRTC have been set aside, and I am sure that the existence of this new agreement will allow the CRTC to take all the new facts into account when they call for new applications for those licences.

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CUSTOMS

ARRANGEMENTS FOR IN-TRANSIT PASSENGERS AT GANDER AIRPORT—REQUEST FOR REPORT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of National Revenue and also, in part, for the Minister of Manpower and Immigration following the questions I put to the Minister of Transport the other day regarding the situation at the airport in Gander. Would the minister advise the House what arrangements have been made, in conjunction with the department of her colleague, to handle in-transit passengers on the basis that they shall not be released at the airport or into the surrounding territory, and also whether the customs and immigration controls may be applied to incoming passengers to Mirabel or to Malton?

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, for the time being the Gander airport facilities are still what is called in the jargon, a sterile airport—I mean, a fertile airport.

Some hon. Members: Oh, oh!

Miss Bégin: There was never a woman minister of national revenue. I would like to tell the hon. member that there is no sterile area where passengers can be helped in transit. With the development of other airports in Canada I understand the Minister of Transport is proposing to locate an in-transit lounge at the mezzanine level which will accommodate up to 250 passengers.

Mr. Lambert (Edmonton West): I wonder if the minister or her colleague could indicate to the House how it is that their administration has tolerated conditions over possibly the last ten years whereby in-transit passengers were allowed to wander in and about Gander airport and into the town of Gander contrary to the regulations of IATA and our other international air obligations?

Mr. Speaker: May I point out with respect that that information should perhaps be sought in another way.

* * *

EXTERNAL AFFAIRS

REASON FOR ABSTENTION FROM VOTE ON UNITED NATIONS RESOLUTION CONCERNING ARMS EMBARGO AND ECONOMIC CO-OPERATION WITH SOUTH AFRICA

Mr. Claude Wagner (Saint-Hyacinthe): Mr. Speaker, my question is for the Secretary of State for External Affairs. Could he explain why at the United Nations General Assembly yesterday Canada abstained from voting on a resolution calling for an arms embargo against South Africa, considering that Canada has imposed an embargo since 1963 and an embargo on spare military parts since 1970?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Yes, Mr. Speaker. I can give the hon. member a brief answer, but I would also be glad to provide him with a more detailed written explanation.

An hon. Member: Try one here.

Mr. Jamieson: I certainly will try one here if the hon. member would give me the opportunity. The resolution has many different component parts in it. In the case of the one to which the hon. member referred, there were certain portions which were not acceptable to Canada. However, it did not change the policy, as the hon. member has said, that we have been following for quite some time. I might point out to him that on at least four aspects of the resolution we did in fact continue to vote against apartheid and its effects in South

Africa, but in the specific case in question there were certain elements of the resolution that were objectionable to us.

Mr. Wagner: Mr. Speaker, I look forward to the written answer from the minister, but for the moment would he explain to the House why Canada abstained on two resolutions condemning economic co-operation with South Africa, and what is the government policy with regard to Canadian investments and trade with South Africa?

Mr. Jamieson: It is for precisely the reason I mentioned a moment ago. However, our policy has been quite clear and consistent throughout the years with regard to trade in non-sensitive materials, non-sensitive goods. We have continued to do this with South Africa and there is no change in the situation. Of course, we have not had any restrictions against trade with any number of other countries such as, for instance, the Soviet Union or a number of others with whom we have idealogical differences. The only people with whom we will not trade are those against whom the United Nations has a specific embargo, witness, for instance, Rhodesia.

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NORTHERN CANADA POWER COMMISSION

RATE INCREASES—REQUEST FOR STUDY OF ALTERNATIVE PRICING POLICY AND CHANGE IN DEBT STRUCTURE

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. It concerns inflation about which this government professes concern. On November 20, 1975, in reply to a question of mine the then minister of indian affairs and northern development said that any electric power rate increase imposed on northern consumers by the federal government's Northern Canada Power Commission would have to be approved by the minister. Would the present minister direct the task force which is now studying the power commission to devise an alternative pricing policy which will not create such hardships for the people of the Northwest Territories?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): As I have stated in answer to a previous question, the task force report on power rates in the north will be presented to me next week. I will review the entire question at that time and take into account the suggestions made by the hon. member.

Mr. Firth: Mr. Speaker, my question is for the same minister. Given the fact that residents of the Northwest Territories already suffer the highest cost of living in this country, will the minister propose to cabinet an amendment to the Northern Canada Power Commission Act so that NCPC's huge capital debt will not have to be borne by a relatively small number of northern residents?

● (1500)

Mr. Allmand: Mr. Speaker, I would like to look at all the alternatives, and particularly the recommendations of the report, before I choose a solution.

* * *

CANADIAN DAIRY COMMISSION

ALLEGED FIRING OF CHAIRMAN AND RESIGNATION OF ASSISTANT CHAIRMAN

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is for the Minister of Agriculture. As a representative of one of the leading dairy areas of Canada where milk producers are anxious to see stability and to have confidence brought to the dairy industry, I ask the minister to confirm or deny the well-founded rumour that the chairman of the Canadian Dairy Commission has been fired and that the assistant chairman has resigned.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the hon. member will just have to wait a little while because as Minister of Agriculture it is my job to make sure that the dairy commission is run as efficiently as possible.

An hon. Member: Answer the question.

Mr. Whelan: I am not denying that there will be some changes made, but as of this hour no change has been made.

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[*Translation*]

HOUSE OF COMMONS

PROCEDURE FOR IMPLEMENTING RECOMMENDATION CONCERNING ADMITTING PUBLIC TO GALLERIES DURING PRAYERS

Mr. Speaker: Order. Yesterday the House passed the motion presented by the hon. member for Bellechasse (Mr. Lambert) pursuant to Standing Order 43. The motion is self-explanatory. It is designed to allow the public to take places in the galleries so that they can attend the reading of the daily prayers of the House.

Still, the motion does not say specifically how its purpose can be implemented. It provides for an amendment to our Standing Orders when in fact the time at which the doors leading to the galleries are opened is set by practice and not by our rules.

In addition, the motion was presented in the form of a recommendation and not an order. Consequently, the Chair would appreciate instructions from the House as to the implementation of the object of the motion of the hon. member for Bellechasse.

To that end, it seems to me we should proceed by asking the Standing Committee on Procedure and Organization to look

into the ways in which the purpose of the motion can be achieved, as soon as possible, and report to the House.

* * *

[*English*]

PRIVILEGE

MR. KORCHINSKI—PRESS INTERVIEW BY MR. LANG

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I rise on a question of privilege as a result of an interview granted to the Canadian Press by the Minister of Transport (Mr. Lang), as reported in the Ottawa *Citizen* of November 9, with regard to the use of government aircraft.

This subject was first raised by my colleague, the hon. member for Leeds (Mr. Cossitt); however, reading the article without knowing the background, one would conclude that it was raised as a result of the inquiry by the hon. member for Yorkton-Melville (Mr. Nystrom). However, that is not the main point of my complaint.

My complaint is that the minister, as quoted in the article, stated that other members of parliament are welcome to travel with him, and that many have siezed the chance, "including Stanley Korchinski, PC, Mackenzie, two weeks ago".

Anyone reading this article might justifiably conclude that there was some advantage to me as a member in taking this particular flight with the minister on a Jetstar, when in actual fact the minister is only insulation himself from public criticism by providing misleading information.

The facts as they transpired are these: New airport facilities were to be opened on October 15 at La Ronge. Hon. members will appreciate the importance of this occasion since I represent an area approximately 600 miles by 150 miles, and La Ronge happens to be in my constituency. It is 350 miles from my home base, which is in the constituency,—incidentally and I can fly three hours straight north and still be within it.

This new airport is the first airport in the riding, other than the gravel or sod strips and lakes which we use for landing. I received a letter dated October 1 from the minister informing me that the new facilities would be officially opened by him and by the Premier of the province of Saskatchewan. This letter pointed out the services which would be provided and very graciously extended an invitation to me to join the official party for the opening. Nowhere in the letter was there an invitation by the minister to me to accompany him on the Jetstar. I could have used a commercial airline to fly to Regina or Saskatoon via Air Canada and then on to La Ronge by Norcanair, but if I had done so I would have sought a government warrant for the flight, which is my right, and which would have been a cost to the treasury.

Instead I chose the cheapest method, and I asked my office to inquire whether it would be possible for me to be aboard the Jetstar which the minister would be using anyway. The minister gave his consent to this and, in fact, offered to return me to the capital after a stopover at Saskatoon.

[Mr. Speaker.]

There were four passengers besides the crew aboard the flight on the morning of October 15. The minister was accompanied by two members of his staff who deplaned at Winnipeg. The purpose of their visit to Winnipeg was unknown to me. From Winnipeg to La Ronge the only passengers aboard the Jetstar were the minister and I. I was offered a flight from La Ronge to Saskatoon after the ceremonies, with a further offer of a flight from Saskatoon to Ottawa on the following day at 4 p.m. I declined this offer. Instead I worked my way back to Regina where I picked up my car and headed for my home, which is in my riding. I returned to the capital on Monday and was in the House on that occasion as the recorded vote on that day will attest.

The minister's flight schedule did not call for his immediate return to Ottawa from his official duties, and I agree that it is within the right of the minister to use a government plane on official duties. Instead he diverted to Saskatoon, his constituency, for the balance of the day, and until 4 p.m. the following day, or the time of his departure for Ottawa, whichever was the latest. Since government aircraft are charged on the basis of time lapsed rather than actual miles travelled, I presume the minister owes an explanation as to what activities he participated in during the time lapse from the departure from La Ronge to the time he left Saskatoon for Ottawa.

Mr. Speaker: Order, please.

Mr. Korchinski: Although I am not aware of his activities—

Some hon. Members: Order.

Mr. Speaker: Order!

Mr. Korchinski: —during those 24 hours, it may be that an investigation—

Mr. Speaker: Order, please. As has always been my practice I have allowed the hon. member, pursuant to his notice of his question of privilege, to go on for some time now in raising his question of privilege. I think all hon. members are aware that this question, as with many previously proposed questions of privilege, has been raised as a result of some kind of disagreement or difference in interpretation of the language used either in the House or, in this case, outside the House, which makes it more difficult.

I do not like to cut a member too short in attempting to develop whatever question of privilege may exist; however, the hon. member has gone on now for quite some time to develop a disagreement with the statements which are attributed to the minister, and if there is no further development of the matter which relates to the privileges of the House I think the matter ought to be discontinued. If, however, the hon. member proposes to raise anything which relates to a question of privilege, I would be pleased to hear it. If not, I do not propose to hear the hon. member any further, nor do I propose to hear any other hon. member who may want to make a contribution to this particular debate.

MR. LANG—COMMENTS OF MR. KORCHINSKI

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, do I understand correctly that you will not allow me to comment on that long, elaborate talk—

An hon. Member: That's right.

Mr. Speaker: Order, please. Unless I am prepared to hear the hon. member further, I do not propose to hear the minister either. It seems to me that the hon. member has given a description of the events. I am not able to find in them anything on a prima facie basis which raises any allegation against the minister; quite to the contrary. If there was something in the nature of an allegation with regard to what the minister said or with regard to what was described in the House, I would be prepared to hear both sides; however, I think the matter ought to cease unless I am prepared to hear several arguments on both sides.

Mr. Lang: Mr. Speaker, I think it is a legitimate question—

Mr. Speaker: Order.

Mr. Lang: It is—

An hon. Member: Order. Stanley had to listen to the Chair; so should you.

Mr. Lang: Mr. Speaker, my question of privilege is based on the imputations and the comments of the hon. member for Mackenzie (Mr. Korchinski) to the effect that there was something improper in the use of this particular aircraft.

Mr. Clark: User pay.

Mr. Lang: As the hon. member comes from the west I should have thought he would understand that it is important for ministers to get into the west of this country, and into the Atlantic. He may not understand this—

Mr. Speaker: Order, please.

Some hon. Members: Order!

Mr. Clark: Abuser pay.

Mr. Speaker: With respect to the minister, I listened very carefully, and I heard nothing in the remarks of the hon. member for Mackenzie (Mr. Korchinski) which in any way imputed improper actions. Rather, it seems to me that the remarks of the hon. member imputed quite a proper use of the aircraft by the minister. I refer to the attendance at the opening of an airport, which is the minister's responsibility, and the hon. member accompanying him in that function. Accordingly, if the question only relates to imputations of impropriety, I see none. Unless there is another point that the minister wishes to speak on I would be prepared to close the matter forthwith.

Privilege—Mr. Lang

• (1510)

Mr. Lang: Mr. Speaker, there were suggestions that I could not have had government business which would cause the delay. I think I am entitled to make the point that my government business is very extensive throughout the week ends, in Ottawa and in other places. In short, I used that aircraft only for government purposes and it is very important that I do so. I would ask hon. members to take my word as a member on that. The pure and simple fact is that I have no personal business; only government business, except for my family in Ottawa.

Mr. Speaker: The hon. member for St. John's East (Mr. McGrath) on a point of order.

Mr. Broadbent: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Oshawa-Whitby (Mr. Broadbent) on a question of privilege.

Mr. Broadbent: Mr. Speaker, I should like to speak on the same question of privilege to which the hon. minister has just addressed himself.

An hon. Member: He has just flown off.

Mr. Broadbent: If Your Honour has recognized that the minister has the right to enter a comment on that question of privilege, then I think members on this side are entitled to reply.

Mr. Speaker: Order, please. The hon. member for Mackenzie (Mr. Korchinski) was given the floor on a question of privilege and I had to hear him. His remarks referred to a statement alleged to have been made to the press by the minister. I have said before that the hon. member for Mackenzie seemed to me to describe a series of events which did not raise any impropriety in the use of the aircraft by the minister. The minister saw fit to make one comment, and that had to do with the day following the event referred to by the hon. member. I cannot find a question of privilege in either contribution.

The last thing I would want to do would be to extend the discussion under the guise of a question of privilege to other than the two principal combatants. In has been the custom of the House to try to recognize some basic principle in such matters. To allow the hon. member for Oshawa-Whitby to speak now would be a loose application of the rules as far as privilege is concerned and it would be inviting a full range of debate on a matter which I am sure is going to be raised in many other ways in the course of this parliament, but hopefully not by way of a question of privilege.

The hon. member for St. John's East (Mr. McGrath) on a point of order.

Mr. McGrath: Mr. Speaker, I should like to raise a point of order. It is an urgent matter and I hope Your Honour will give me the floor for a few moments to develop it.

The House is about to be presented with hundreds of millions of dollars of supplementary estimates. I directed a line of questioning, as did my colleagues today, to the President of the Treasury Board. In my second question I asked if the minister was prepared, as an interim measure, to recommend to his colleagues that at least one department be brought back into the House for examination by committee of the whole, without limitation under Standing Order 58, which is the guillotine rule. I was careful to preface my question by saying that notwithstanding the work of the Standing Committee on Procedure and Organization, which is now seized with drafting a report to the House on rule changes, I would nevertheless go ahead with my question based upon what I consider to be the urgency of the matter, which is the presentation of the estimates to the House, and the evidence given by the Auditor General and his department with regard to the fact that the House and parliament as a whole have lost control over government spending.

I wanted the minister to take leadership and recommend this to his colleagues since he has responsibility to parliament for government spending as President of the Treasury Board, and to recommend on a trial basis that the estimates be brought back into committee of the whole.

I raise this matter because we are all concerned that since the rule changes we have unwittingly become a rubber stamp for government spending. The word is out that parliament has lost control over government spending, and this is a serious matter. Since the new rules came into effect in 1968 government spending has increased by over 300 per cent, yet we as a parliament have no control. The minister should take some initiative in this regard. I know he shares the same concern, as does the Auditor General and as does the Public Accounts Committee. My question to him was merely to suggest that perhaps the supplementary estimates and the main estimates for this year could be brought back into the House since it is evident that the Standing Committee on Procedure and Organization will not act upon this unless there is some direction from the government. I should like to hear from the minister on this.

Mr. Speaker: Order, please, I am sure the hon. member would like to hear from the minister, but he is referring to a situation where the Chair had to make a ruling on the propriety of the question. The question was directed to the President of the Treasury Board, who is intimately concerned with the presentation of estimates and the whole process. But the question was directed to a change in the procedures of the House. It is not a new suggestion and it may have great merit. As the hon. member has developed his point, it would find sympathy in several corners of the House. A fuller examination of the estimates on the floor of the House may be a better way than that followed in the recent past.

My decision was based on the fact that for the purposes of explanation it is a procedural matter that has considerable support, and not a matter of substance with respect to estimates, which is the responsibility of the President of the Treasury Board. As a procedural matter it seems to me the question might better have been directed to the President of the Privy Council, the government House leader. I am sure such questions will be put in due course and other efforts will be made in the Committee on Procedure and Organization to see that estimates are examined in this way. I felt it was not within the administrative competence of the President of the Treasury Board.

* * *

BUSINESS OF THE HOUSE

Mr. Baker (Grenville-Carleton): Mr. Speaker, as this is Wednesday and we will not be here at the usual time to ask about business of the House, may I ask the Acting House Leader, the Postmaster General (Mr. Blais), about the government's legislative program for next week?

Mr. Blais: Mr. Speaker, as the hon. member knows, we will proceed today with Bill C-19, the expenditures restraint bill, and we fully expect it will be dealt with until six o'clock this evening. We do not expect it to be completed today so we will come back to that bill on Monday.

Mr. Baker (Grenville-Carleton): Mr. Speaker, is the minister in a position to advise what legislation will follow that at the beginning of the week? While he is thinking about that, could he advise if the government is aware now when the supplementary estimates will be brought in? There has been some interesting discussion with respect to this.

Finally, although he has not direct control over it himself, would the Postmaster General bring to the attention of the government House leader the fact that the Public Accounts Committee has not yet been organized? Would he urge the government House leader to take some action with respect to that, particularly in view of the fact that, unfortunate as it may seem, there has not been a House leaders' meeting called since the first one in the second week of this parliament? It was erroneously reported in *Maclean's* magazine that we manage to meet every week, but that is not so. I should like to meet every week, but it is not the case. Could the minister take these questions to the government House leader wherever he is so that we can get on with the business of the House?

Mr. Blais: Mr. Speaker, with reference to the supplementary estimates I shall be presenting a motion which refers the supplementary estimates in the usual form during routine proceedings today.

With reference to the business for Monday, Bill C-19 is exciting a great deal of interest and I expect it will continue to excite a great deal of interest. We propose to carry on with this legislation and dispose of it. If, through greater co-operation than we have had in the past, we can dispose of the bill prior to Tuesday, we would proceed with the Surveys Act. We would then consult with my hon. friend on any additional legislation that we might want to present subsequently.

ROUTINE PROCEEDINGS

[*English*]

CANADA PENSION PLAN

TABLING OF DOCUMENTS ON FUNDING PROPOSALS

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, under Standing Order 41(2) on behalf of the Minister of National Health and Welfare I should like to table documents from the Canada Pension Plan Advisory Committee on the funding proposals of the Canada Pension Plan for an increase in benefits.

* * *

● (1520)

[*Translation*]

BUSINESS OF SUPPLY

SUPPLEMENTARY ESTIMATES (B) FOR YEAR ENDING MARCH 31, 1977

A message from His Excellency the Governor General transmitting Supplementary Estimates (B) with regard to the sums required for the public service of Canada for the financial year ending March 31, 1977 was presented by Hon. Robert K. Andras (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

[*English*]

REMEMBRANCE DAY

TRIBUTES TO MEMBERS OF CANADIAN FORCES WHO SERVED IN WARTIME

Hon. E. F. Whelan (Acting Minister of Veterans Affairs): Mr. Speaker, in my role as Acting Minister of Veterans Affairs I would like to remind hon. members that our annual service of remembrance will be held at eleven o'clock tomorrow morning at the National War Memorial. This service, organized by the Royal Canadian Legion, will be duplicated in cities, towns and villages across Canada. Everywhere in our great country citizens of all ages will stand in reverent silence remembering the more than 100,000 Canadians who made the supreme sacrifice to safeguard our way of life, the envy of the world. The human costs of Canada's wartime sacrifices can never be calculated but they will never be forgotten. Mr. Speaker, this parliament, this government, has made sure of this. We have not forgotten them. Our veterans are taken care of better than the veterans of any other country in the world.

In many other countries around the world tomorrow is also a day of mourning for the young men and women who died for their freedom. The Minister of Veterans Affairs (Mr. MacDonald) will be attending the service at the Arc de Triomphe in Paris, as the guest of his counterpart in the government of France. He will also attend the Commonwealth Memorial Service at Notre Dame Cathedral in the afternoon. Because of

his absence from Canada the Legion has invited his parliamentary secretary, the hon. member for Welland (Mr. Railton), to represent him at the national ceremony here in Ottawa.

In closing, Mr. Speaker, I can only repeat the words which will be used tomorrow in every remembrance service: "We will remember them."

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, may I say that it is unfortunate that, on the one day of the year when we remember our war dead and duty, the ceremony in Canada could not take more precedence. I am privileged on behalf of my party to reply to the statement of the Acting Minister of Veterans Affairs on this day, a few hours before the touching Armistice ceremony which will take place at Canada's National Memorial here in Ottawa. We, on my side of the House, endorse fully the statement of the acting minister. We also pay tribute to the Canadian Legion and to all veterans' organizations across this great land who hold dear the true meaning of remembrance as we all remember our fallen comrades on Armistice Day. While we pay tribute to the fallen, we must remember our duty to those who remain.

It is probably difficult to imagine that in 1976, some 60 years after World War I, there still remain almost one million Canadian veterans who served their country with honour and distinction, whether on the battlefield of foreign countries or here at home, always ready to defend our proud nation.

Many of these veterans still need our help, because they returned maimed and incapacitated. Unfortunately, as the years go by, the recognition of the sacrifices of veterans diminishes; but it is all-important that we should recognize that as our veteran population grows older and passes on we must renew our efforts for increasing the needed care and attention we give to the old veteran who is left alone and to the widows who cared for their loved ones while they suffered because of war.

Finally, it is timely that this House should re-affirm Canada's commitment to its veterans. May I repeat the words of a former Prime Minister who said at Vimy Ridge in 1917:

> The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of the people at home—and it will always be our endeavour to so guide the attitude of public opinion that the country will support the government to prove to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire and that no man will have just cause to reproach the government for having broken faith with the men who won and the men who died.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my colleagues and I on behalf of the New Democratic Party across Canada join with all members of the House in recognizing tomorrow as Remembrance Day. We appreciate the words spoken by the Acting Minister of Veterans Affairs (Mr. Whelan) and by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall). We join with them in reaffirming our obligation to those who paid the supreme sacrifice for this country. We add that we believe it is part of our obligation to try to build the kind of world for which they gave their lives.

I like the use every Remembrance Day of the words with which the minister closed his statement when he said, "We will remember them." I liked the way in which the hon. member for Humber-St. George's-St. Barbe underlined that expression. We have tried to do so in what we have done for our veterans and their families. We can be proud of what has been achieved, but much remains to be done. I hope that even yet we will find ways to make life better for those who suffered disabilities. I hope that in this House we shall soon do something the Standing Committee on Veterans Affairs has recommended on a number of occasions, namely, improve the pension position of the widows of all of Canada's war veterans.

Sir, we are honoured to join in this moment of recognition of the fact that tomorrow across Canada all Canadians will remember those who died.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, together with the preceding speakers, including the minister, I want to point out that tomorrow is Remembrance Day. As I already told the House, these men died for their country. Those who are still with us are the living mementoes of these unfortunate wars. May the surviving veterans, disabled or not, have the sympathetic ear of the Minister of Veterans Affairs (M. MacDonald) and particularly get quick responses, in keeping with the great sacrifices they made for their fellow countrymen.

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[*English*]

BUSINESS OF SUPPLY

SUPPLEMENTARY ESTIMATES (B), 1976-1977—REFERENCE TO STANDING COMMITTEES

Mr. J.-J. Blais (Postmaster General): Mr. Speaker, I am presenting pursuant to Standing Orders 58(15) and 59(1), a motion calling on supplementary estimates (B), 1976-77, tabled this day, to be referred to the standing committees of the House, as follows, and with the indulgence of the House I will ask that this particular motion be printed in *Hansard* as if read. It is in the usual form.

Mr. Speaker: In accordance with that practice may I ask if it is the will of the House that the motion for the reference of supplementary estimates to the usual standing committees shall be tabled and printed as if read?

Some hon. Members: Agreed.

[*Editor's Note: The motion above referred to is as follows:*]

Mr. Blais, seconded by Mr. Andras moved that the Supplementary Estimates (B), 1976-1977 tabled this day, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture
Agriculture Vote 35b

To the Standing Committee on Broadcasting, Films and Assistance to the Arts
Communications Vote L6b
Secretary of State Votes 10b, 15b, 20b, L21b, 35b, 40b, 65b and 70b

To the Standing Committee on External Affairs and National Defence
External Affairs Votes 10b and L16b
National Defence Vote 5b

To the Standing Committee on Finance, Trade and Economic Affairs
Consumer and Corporate Affairs Vote 30b
Finance Votes 1b, 2b, 5b and L13b
Industry Trade and Commerce Votes 1b, 5b, 6b, L36b, L37b and 55b
National Revenue Votes 5b and 10b

To the Standing Committee on Fisheries and Forestry
Environment Votes 5b and L16b

To the Standing Committee on Health, Welfare and Social Affairs
Consumer and Corporate Affairs Votes 1b, 15b, 20b and 25b
National Health and Welfare Votes 25b, 26b, 45b, 50b and 60b
Urban Affairs Votes 10b, 15b, 20b and 30b

To the Standing Committee on Indian Affairs and Northern Development
Indian Affairs and Northern Development Votes 5b, 11b, 25b, 35b and 75b

To the Standing Committee on Justice and Legal Affairs
Justice Vote 10b
Solicitor General Votes 1b, 5b, 15b and L17b

To the Standing Committee on Labour, Manpower and Immigration
Labour Vote 1b
Manpower and Immigration Votes 1b, 5b, 10b, 15b and 20b

To the Standing Committee on Miscellaneous Estimates
Finance Vote 15b
Governor General and Lieutenant Governors Vote 1b
Privy Council Vote 25b
Science and Technology Votes 10b and 35b
Secretary of State Vote L107b
Treasury Board Vote 1b

To the Standing Committee on National Resources and Public Works
Energy Mines and Resources Votes 5b, 6b, 30b, 35b and 75b
Public Works Votes 10b, 20b, L30b and 40b

To the Standing Committee on Regional Development
Regional Economic Expansion Votes 1b, 25b and 31b

To the Standing Committee on Transport and Communications
Post Office Vote L7b
Transport Votes 51b, 80b, 107b and L108b

[Mr. Knowles (Winnipeg North Centre).]

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 52, 54, 61, 63, 64, 78, 83, 85, 88, 89, 90, 91, 94, 102, 106, 108, 209, 299, 300, 488, 513, 599, 615, 622, 633, 634, 637, 638, 686, 693, 695, 698 and 704.

[*Text*]

PERSONNEL AT FEDERAL BUILDING, BROCKVILLE, ONTARIO

Question No. 52—**Mr. Cossitt:**

1. What are the names and job designations of all persons hired by the Department of Public Works at the Federal Building in Brockville, Ontario, since January 1, 1974?

2. In each case, was a competition held and, if so (a) on what date (b) how many applicants were involved (c) what are the names of all persons placed on the eligible list?

3. Were there any cases where competitions were not held for either temporary or permanent employment and, if so (a) for what reasons (b) what are the names and job designations of all persons hired?

4. What is a general description of the hiring practices used by the Department at the Brockville Federal Building?

Mr. Alexandre Cyr (Parliamentary Secretary to Minister of Public Works): 1. All of the employees hired since January 1, 1974 have been temporary replacements for sick leave or vacation. The names of the employees and the dates employed are listed below: Scale, L. M., GS-BUS-2, Cleaner, 8-8-74 to 13-8-74; 22-7-74 to 2-8-74; McIsaac, N., GS-BUS-2, Cleaner, 28-10-74 to 1-11-74; 22-8-74 to 7-9-74; Euverman, C. A., GS-BUS-1, Cleaning Service Woman, 25-8-75 to 29-8-75; 15-12-75 to 30-12-75; 14-10-75 to 20-10-75; 7-7-75 to 25-7-75; 17-3-75 to 1-4-75; 28-10-74 to 30-10-74; 16-9-74 to 27-9-74; 19-8-74 to 30-8-74; 16-12-74 to 21-12-74; 15-7-74 to 2-8-74; Bellinger, D., GS-BUS-2, Cleaner, 9-7-74 to 12-8-74; Todd, B., GS-BUS-2, Cleaner, 5-1-76 to 30-1-76; 6-10-75 to 15-10-75; 23-6-75 to 29-8-75; 9-6-75 to 13-6-75; 2-12-74 to 31-12-74; 23-8-74 to 23-8-74 (8 hrs); Van Rijswijk, E., GS-BUS-2, Cleaner; Reid, D., GS-BUS-1, Cleaning Service Woman; Phythian, H., GS-BUS-2, Cleaner.

2. (a) In each case an open competition was held in the sense that referrals were obtained from the local Canada Manpower Centre. (b) We have no permanent record of the number of candidates involved as it is not departmental practice to maintain such records on casual appointment actions. (c) In each case, only the successful candidate was placed on the eligible list.

3. There are no cases where an open competition was not held. As each vacancy arose, referrals were obtained from the Canada Manpower Centre.

4. It is the practice of the Department to approach the Department of Manpower and Immigration's Canada Manpower Centre in Brockville to request that individuals be referred for vacancies as they arise. Once referred, these individuals are assessed against predetermined selection criteria and a decision is made as to who is the most suitably qualified for the position.

UIC—MR. J. DONOGHUE

Question No. 54—**Mr. Cossitt:**

1. Was Mr. J. Donoghue, Executive Director of Operational Planning for the Unemployment Insurance Commission of Canada, formerly Regional Director for the Province of Ontario?

Order Paper Questions

2. On what date was Mr. Donoghue appointed Regional Director for Ontario and until what date did he hold that position (a) what was the exact number of dollars paid to him in salary during the time he held this position (b) what is his exact salary in dollars in his present position (c) was Mr. Donoghue stationed in Belleville, Ontario when he was Regional Director for the Province?

3. During the time that Mr. Donoghue was Regional Director for Ontario did he commute on weekends on a more or less regular basis to and from Ottawa (a) was this commuting done via Toronto (b) what means of transportation was used for all aspects of this commuting (c) what was the entire cost paid by the government (d) was a daily meal allowance paid by the government to Mr. Donoghue during his term in Belleville and, if so (i) for what reason (ii) what was the total amount paid (e) did the government contribute towards rental of accommodation for Mr. Donoghue in Belleville and, if so, what was the total amount paid while he was there?

4. What is the total of all expenses of any kind whatsoever paid to Mr. Donoghue while he was Regional Director for Ontario?

5. (a) Is Mrs. A. Humphreys acting at the present time as secretary to Mr. J. Donoghue in his position as Executive Director of Operational Planning (b) did Mrs. Humphreys act as secretary for Mr. Donoghue while he was Regional Director for Ontario (c) what is the total of all expenses paid to Mrs. Humphreys while she was stationed in Belleville including specifically (i) transportation (ii) meal allowances (iii) accommodation (d) what was the exact annual salary in dollars of Mrs. Humphreys while she was stationed in Belleville and what is her exact salary now?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment insurance Commission is concerned: 1. Yes.

2. Acting appointment October 1, 1972 to August 30, 1973. Confirmed in the position September 1, 1973 until April 18, 1975. (a) His salary ranges were as follows: October 1, 1972—December 31, 1972, ($25,000-$31,000); January 1, 1973—March 31, 1974, ($26,750-$33,750); April 1, 1974—March 31, 1975, ($29,000-$37,000); April 1, 1975—April 18, 1975 ($31,500-$41,500); (b) $35,500-$47,500—Salary range for his present position. (c) Yes, after being confirmed as Regional Director on September 1, 1973.

3. Yes. (a) Travel to Toronto was dependant upon the need to meet with the Toronto Metro management, weekend meetings with unions, the media, etc. (b) Train, air, private motor car, and bus. (c) Approximately $3,240 to cover travel costs from October 1972 to August 24, 1973. The figure includes travel to Ottawa for purposes of attending to Commission business. (d) Yes—the employee was in an acting capacity and (i) on extended travel status in accordance with Treasury Board Regulations (ii) $650.00 (e) No.

4. Acting Appointment	Paid to	Paid on Behalf of	Total
1972 Expenses	1,770.68	Not Available	1,770.68
1973 Expenses	3,311.90	756.00	4,067.90
Confirmed			
1973 Expenses	2,015.76	177.00	2,192.76
1974 Expenses	4,959.69	4,457.00	9,146.69
1975 Expenses	1,382.25	2,743.00	4,125.25
	$13,440.28	$8,133.00	$21,573.28

5. (a) No. (b) Yes. (c) (i) $28. (ii) $93. (iii) Nil. (d) Belleville, $11,395 to $12,987—salary range for the position. Present, $12,762 to $15,138—salary range for the position.

UIC—MR. D'ARCY REZAC

Question No. 61—**Mr. Cossitt:**

1. Was Mr. D'Arcy Rezac, at any time, Regional Manager of Operations in Belleville for the Unemployment Insurance Commission and, if so (a) on what date was he appointed (b) until what date did he serve in the position (c) what is his present position with the Commission?

2. Prior to his appointment in Belleville, did he serve with the UIC in Toronto and, if so, in what capacity?

3. (a) During the period of time he was in Belleville, what was the total of all expenses paid on his behalf, including any hotel expenses prepaid (b) was he on full expenses and (i) if so, for what reason (ii) if not, what expenses, if any, was he on (c) did he take up permanent residence in Belleville during his term there and, if not (i) for what reason (ii) for what reason were his expenses paid (iii) did he maintain actual residence in Toronto at the time?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes. (a) September 29, 1974 (acting as of April 1, 1974). (b) July 15, 1975. (c) Deputy Director General—Pacific Region.

2. Yes—District Manager, High Park Office, Toronto.

3. (a) 1974, $5,416.25; 1975, $2,770.62; Total, $8,186.87. (b) Yes, as allowed by regulations; (i) Working in Belleville and living in Toronto; (ii) Not applicable. (c) No; (i) Operation exigencies were such that a very experienced person was required in Toronto during the winter of 1974. Mr. Rezac, although an employee of high potential was assuming his first senior management post in UIC and it was felt that the Commission's best interest would be served by assigning him to the smaller central area with an office in the Belleville Regional Office for a period of 6 to 10 months prior to assuming duties in Toronto; (ii) He was on assignment; (iii) Yes.

UIC—SPECIAL INVESTIGATION DIVISION

Question No. 63—**Mr. Cossitt:**

1. Was any evidence gathered, or any investigation or examination made, before it was abolished, by the Special Investigation Division of the Unemployment Insurance Commission of the Regional Office Pay Centres and the possibility of infiltration of the pay system itself to produce cheques for non-existent claims by means of the issuance of such cheques without them showing up on the Current Master Record Data Tapes and, if so (a) which of the following pay centres were involved (i) Moncton (ii) Montreal (iii) Belleville (iv) Winnipeg (v) Vancouver (b) was a more extensive examination carried out at the Montreal Regional Pay Centre (c) what action in all cases was (i) recommended (ii) taken?

2. Since the Special Investigation Division was abolished have there been any further such investigations or examinations by UIC personnel and, if so, what are all details similar to those asked for in Part 1 of this question?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. There was no evidence gathered or any investigation conducted by the former Special Investigations Division into the possibility of infiltration of the pay system in the Regional Pay Centres.

2. The Regional Pay Centres have been audited both before the special Investigation Division was formed, during its life and after its disbandment. The audit function was carried out first by the Operational Audit of the Commission and later by the Audit Services Bureau of D.S.S. In addition, the RCMP have carried out audits of the physical security. No evidence of infiltration has been found.

UIC—SPECIAL INVESTIGATION DIVISION

Question No. 64—**Mr. Cossitt:**

1. Where were or are all files of the now abolished Special Investigation Division of the Unemployment Insurance Division (a) between the date of its abolition and June 28, 1976 (b) the date the answer to this question is prepared and what is that date?

2. Have any files of the Special Investigation Division been destroyed since the decision was made to abolish the Division and, if so (a) on whose order (b) on what dates (c) what files (d) for what reason?

3. Will the government agree to the preservation of any existing records of the Special Investigation Division indefinitely for possible future examination by a (a) Parliamentary Committee (b) Judicial inquiry and, if not (i) for what reason (ii) what are all reasons such files should not be preserved and eventually made public?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. (a) All master files of the former Special Investigations Division have been maintained at Head Office since inception of this unit and are still maintained. Working copy files were maintained at five regional offices. (b) The files are still at Head Office.

2. No. Some working copy files were destroyed. However, the information contained therein is available on the master file at Head Office.

3. All files are maintained and stored in accordance with Public Records Order PC 1966-1749 dated October 1, 1966. It would not be within the public interest to release information contained on these files as much of the information is of a classified nature.

UIC—INVESTIGATION OF RETIREMENT CLAIMS

Question No. 78—**Mr. Cossitt:**

1. Has the Unemployment Insurance Commission been investigating three week retirement benefit claims at various offices across Canada and, if so, what is the total number found to be fraudulent during the past year and, in all such cases, how many persons involved are (a) outside UIC (b) employed by UIC?

2. How many persons who had not actually attained the age of 65 years have either collected or applied for retirement claims representing themselves as being age 65 and what is the breakdown by various UIC regions across Canada?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. In the normal course of their duties, benefit control officers investigate claims in this group to guard against the possibility of fraudulent claims; however, separate statistics on the number of such cases investigated and results obtained are not separable from general control statistics.

2. See 1.

UIC—BENEFIT CONTROL INVESTIGATIONS

Question No. 83—**Mr. Cossitt:**

1. In 1975, did benefit control officers of the Unemployment Insurance Commission in the Ontario Region complete 180,124 investigations of claims and, if not, how many were completed?

2. In the same period, of the claims investigated, were there 107,303 disentitlements, for various reasons and, if so (a) did disentitlements represent approximately 58 per cent of all claims investigated in that period in the Ontario Region (b) does this indicate any possibility that the percentage figure of all improper claims, investigated or otherwise, would be approximately 58 per cent of all claims made in 1975 in the Ontario Region?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Two hundred one thousand six hundred ninety-three investigations were completed.

2. One hundred fourteen thousand five hundred ninety-seven disqualifications and disentitlements were imposed. (a) This represents 56 per cent of cases completed. (b) No, it only indicates that 56 per cent of those cases completed resulted in either a disqualification or disentitlement.

UIC—BENEFIT CONTROL INVESTIGATIONS

Question No. 85—**Mr. Cossitt:**

1. Between January 1 and April 30, 1976, did benefit control officers of the Unemployment Insurance Commission in the Ontario Region complete 78,353 investigations of claims and, if not, how many were completed?

2. In the same period, of the claims investigated, were there 41,235 disentitlements for various reasons and, if so (a) did disentitlements represent approximately 52 per cent of all claims investigated in that period in the Ontario Region (b) does this indicate any possibility that the percentage figure of all improper claims, investigated or otherwise, would be approximately 52 per cent of all claims made during this period of time in the Ontario Region?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. No, 84,395 investigations were completed. An additional 4,928 cases of Post Audit were completed by benefit control support staff.

2. No. 44,516 disqualifications and disentitlements (D/D) were imposed. 3,968 D/D's were imposed on the Post Audit cases. (a) The D/D's represented 52 per cent and 80 per cent respectively of cases completed. (b) No. It only indicates that 52 per cent and 80 per cent respectively of those cases completed resulted in a D/D.

UIC—C. L. R. GRAY'S MEMORANDUM

Question No. 88—**Mr. Cossitt:**

1. Did Mr. C. L. R. Gray, Director, Legal Services of the Department of Justice for the Unemployment Insurance Commission, Ontario Region, write a memorandum dated August 13, 1975 to Mr. D. Brown, Regional Director of UIC for Ontario, on the subject of a UIC employee named Bernadette Pelletier and, if so, did the document deal with alleged falsification of an Application for Benefit by Ghislain Gareau on the part of Bernadette Pelletier?

2. Did Mr. Gareau receive more benefits than he was entitled to receive and, if so, has this overpayment been recovered and (a) if not, for what reason (b) if so, on what date?

3. Did Mr. Gray's memorandum state in part "We cannot prosecute the claimant unless we call Bernadette Pelletier as a witness. If we do that, she will testify that she made the "X" and that Ghislain Gareau did not know she made the "X". I suggest you do not want to have Bernadette Pelletier appear in court as a UIC witness who would probably declare the whole mess in public" and, if so (a) was Bernadette Pelletier prosecuted and, if not, for what reason (b) what is the exact meaning of the words "whole mess"?

4. Is the memorandum an indication that the Department of Justice has a policy of advising the UIC against prosecuting its own employees who break the law in order that the public will not become aware of "the whole mess" and, if so (a) on what date was such policy established and by whom (b) was Bernadette Pelletier (i) dismissed by UIC and, if so, on what date (ii) transferred to another job within UIC and, if so, to what job and on what date?

5. How many employees of the UIC have been prosecuted for infractions of the law pertaining to UIC in each of the past four calendar years?

6. Are any figures available as to how many occasions the Department of Justice may have recommended that prosecutions against UIC employees should not take place for reasons that "the whole mess in public" would be undesirable?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes.

2. No. He received no benefit. (a) N/A. (b) N/A.

3. Yes. (a) No. Success of prosecution under the Criminal code or U.I. Act was doubtful. (b) The expression "whole mess" referred to the circumstances surrounding the suspected attempted defalcation of funds by Bernadette Pelletier.

4. No. (a) N/A. (b) (i) No. N/A. (ii) No. N/A.

5. 1973, 2; 1974, 0; 1975, 4; 1976, 2.

6. Yes. There are none, other than the case referred to above.

UIC—SPECIAL INVESTIGATION DIVISION

Question No. 89—**Mr. Cossitt:**

1. What is the total amount of all expenses including salaries of the Special Investigation Division of the Unemployment Insurance Commission from the date of its establishment to the date of its abolition?

2. What was the date of its (a) establishment (b) abolition?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. The expenses for the Special Investigation Division were paid out of the total of the Benefit Control activity and cannot be identified separately.

2. (a) April 16, 1973. (b) April 30, 1975.

UIC—MEMORANDUM ENTITLED "RESTRICTION ON INVOLVEMENT IN CERTAIN CLAUSES"

Question No. 90—**Mr. Cossitt:**

1. Was a memorandum circulated to all employees of the Unemployment Insurance Commission across Canada entitled "Restriction on Involvement in Certain Claims" and, if so, was this decision made at the May meeting of the UIC executive?

2. Was the memorandum dated June 30, 1976, sent to various offices in the Province of Ontario, signed by Mr. B. L. Murphy, Area Personnel Adviser?

3. Did the memorandum request all employees of UIC to sign and return it to their supervisors?

4. Did the memorandum state in part "It is not permissible for employees to be directly involved in the recording, processing or adjudication of a claim for a relative or a friend or for one in which they have a personal interest" and, if so (a) for what reason was this type of instruction sent at that particular time (b) for what reason were such instructions not standard practice?

5. Previous to June 30, 1976, were employees permitted to become directly involved in the recording, processing or adjudication of claims for relatives, friends or other persons in whom they had a personal interest?

6. In each of the past four years, how many cases have been discovered of UIC employees involved personally in such claims and for what reasons were such instructions not issued until questions on the subject were raised in the House of Commons in May by the honourable Member for Leeds?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. No. The subject memorandum was circulated only to employees of the Unemployment Insurance Commission in the Ontario Region. The decision to circulate the memorandum was made by the Ontario Regional Director General, but was discussed at the May meeting of the UIC Executive where its usefulness was generally agreed to. Other regions have since reminded their employees of this requirement but not necessarily on the same format.

2. Yes.

3. Yes.

4. Yes. (a) As a reminder to employees of the policy of the Commission in this regard. (b) This restraint has existed since the inception of unemployment insurance in Canada and has been contained in operational manuals since that time.

5. No.

6. 1973, 1; 1974, 2; 1975, 3; 1976, 7. Instructions on conflict of interest in claims processing and adjudication are released periodically to remind employees of their responsibilities. The decision governing the release of the instructions in question was made at the UI Executive meeting of May 5th prior to the matter being raised in the House of Commons.

UIC—SPECIAL INVESTIGATION DIVISION

Question No. 91—**Mr. Cossitt:**

1. Since Question No. 5,825 of the First Session of the 30th Parliament appeared on the *Order Paper* on June 28, 1976, requesting information on the whereabouts of files of the now abolished Special Investigation Division of the Unemployment Insurance Commission, has a search for the files been instituted under the direction of the Headquarters of UIC at 222 Nepean Street, Ottawa, and, if so, has there been difficulty in locating any of the files?

2. Have any of the files been destroyed or are any missing and, if so, for what reason?

3. Have any of the files been dispersed to various entities including the RCMP, benefit control officers, etc., and, if so, which files and on what dates?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes, the working files maintained by the regions were requested. No difficulty was encountered in locating the files.

2. All files are maintained and stored in accordance with Public Records Order PC 1966-1749 dated October 1, 1966. Some working copies of files were destroyed, however the information contained therein is available on the master file at Head Office.

3. No.

UIC—DOCUMENT ENTITLED "1977 ONTARIO REGION BUDGET GUIDELINES"

Question No. 94—**Mr. Cossitt:**

1. Was a document, dated June 29, 1976 entitled "1977 Ontario Region Budget Guidelines" distributed by the Unemployment Insurance Commission and, if so, what is the name and job designation of the highest ranking UIC official who authorized distribution of the document?

2. Did this document state in part "when preparing your budget, a target of twelve prosecutions per year per Benefit Control Officer should be considered. This will include employer prosecutions. It is considered that eleven benefit fraud and one employer prosecution per year per Benefit Control Officer would be a good mix" and, if so (a) is it the policy of the UIC to prosecute fraud on the basis of quotas set down the year before rather than on the basis of all frauds as they occur regardless of number (b) what is the name and job designation of the highest ranking official of UIC who arrived at the conclusion "that eleven benefit fraud and one employer prosecution per year per Benefit Control Officer would be a good mix" (c) what are the reasons that it is considered "a good mix" (d) for what reason is no mention made in the so-called quota of prosecutions against employees of the UIC itself who contravene the law or is it the policy of the government not to prosecute in such cases (e) how many employees of the UIC were prosecuted in each of the past four years and in what regions did such prosecutions occur?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes. Director General, David Brown.

2. Yes. (a) No. The figures were not quotas but guidelines, intended for use in estimating the cost of benefit control activities in 1977. (b) Director General, David Brown. (c) The "good mix" or ratio of claimant to employer prosecutions was determined using historical data. The "good mix" criteria was sent to district offices for use as a guideline estimating the proportion of the Benefit Control Officer's time which ought to be set aside for work associated with prosecutions. (d) The prosecution of UI employees for contravention of the Unemployment Insurance Act is turned over to law enforcement agencies. There is no government policy of non-prosecution in such cases. (e) 1973, 2—Quebec 1, Ontario 1; 1974, 0; 1975, 4—Quebec 3, Ontario 1; 1976, 2—Ontario 1, Prairie 1.

UIC—H. WILLIAMS

Question No. 102—**Mr. Cossitt:**

1. Is Mr. H. Williams now Chief of Security at the head office of the Unemployment Insurance Commission at 222 Nepean Street, Ottawa, Ontario?

2. Was Mr. Williams formerly employed by the now abolished Special Investigation Division of UIC and, if so (a) for what dates (b) in what capacity?

3. While with the Special Investigation Division, how many trips did he make to the Vancouver area (a) on what dates (b) at what total cost (c) for what purpose in each case (d) which trips included visits to the regional pay centre in Vancouver and what was the purpose in each case?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes.

2. Yes. (a) March 1973 to April 1975. (b) Co-ordinator of Ontario, Prairie and Pacific Regions.

3. Four. (a) March 31, 1973; September 21, 1973; November 30, 1973; January 9, 1974. (b) Expenses, $449.60; Air Fare, $1,024; Total; $1,473.60. (c) Organization, liaison, monitoring of operations, computer programs and selection of personnel. (d) November 30, 1973. Familiarization Tour of Regional Pay Centre in conjunction with other duties.

UIC—MR. F. E. LEBLANC

Question No. 106—**Mr. Cossitt:**

1. On or about May 19, 1976, did Mr. F. E. Leblanc receive a telephone call from the honourable Member for Leeds requesting information concerning the subject of alleged defrauding of the Unemployment Insurance Commission and also asking about charges laid against former UIC employee Mr. Gordon Gunn of Ottawa and, if so (a) did Mr. Leblanc decline to comment (b) did he refer the Member to his superior, Mr. J. Third?

2. Are managers of UIC offices under instructions not to discuss any matters with Members of Parliament and, if so (a) for what reason (b) who authorized such a regulation?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes. (a) Yes; (b) Yes.

2. No.

UIC—MR. J. THIRD

Question No. 108—**Mr. Cossitt:**

1. Did Mr. J. Third, Director of Operations, East, Unemployment Insurance Commission, receive a telephone call on or about May 19, 1976 from the honourable Member for Leeds concerning alleged defrauding of UIC and charges laid against former UIC employee Mr. Gordon Gunn of Ottawa and, if so, what was his reply respecting the furnishing of any details?

2. Was Mr. Third advised by the honourable Member for Leeds that the matter would be raised that same day in the House of Commons and, if so, what was his reply concerning the significance of the case and the involvement of the so-called bogus company?

3. Did Mr. Third, approximately thirty minutes later, telephone the honourable Member for Leeds and, if so, what was his advice respecting (a) the seriousness of the matter (b) the raising of the matter in the House (c) the involvement of the so-called bogus company (d) the lack of awareness by the Minister of Manpower and Immigration of the situation?

4. Did Mr. Third state that within a few minutes of the matter becoming public in the House there will be a great burning of files and, if so, to what files was he referring?

5. What were the reasons for the second call in a period of thirty minutes and what is the name and job designation of any person that he contacted to discuss the matter during the interval?

Hon. Jack Cullen (Minister of Manpower and Immigration): In so far as the Unemployment Insurance Commission is concerned: 1. Yes. Mr. Cossitt was referred to the RCMP regarding the charges laid against Mr. Gunn.

2. Yes. Details of the case were not discussed.

3. Yes. (a) The case was not as serious as the honourable member seemed to think. (b) The raising of the matter in the House could jeopardize the on-going RCMP investigation. (c) It was suggested that the naming of a specific company at this time could jeopardize the RCMP investigation still underway. (d) Mr. Third had reported the case to his superior, however, he was not in a position to know whether the Minister had been briefed on the case.

4. Yes. The files referred to were those of the bogus company.

5. To re-emphasize that the success of the investigation would be jeopardized by premature publicity.—D. Brown, Director General, Ontario Region. U.I.C.

TREATMENT FOR SEXUAL OFFENDERS

Question No. 209—**Mr. Orlikow:**

1. Are inmates in the penitentiary system being treated by aversive conditioning methods and, if so, how many?

2. Are sexual offenders presently being treated with aversive conditioning, using electric shocks to the genitals as the aversive stimulus and, if so (a) how many (b) how is "informed consent" obtained from the inmates for these procedures?

3. What review procedures are used to determine whether (a) consent is truly voluntary and informed (b) the treatment is effective and should be continued?

4. (a) Does an Ethics Committee exist to consider, in each case, the use of the procedure and the nature of the consent considering the experimental nature of such treatment (b) does such a Committee have inmate representation?

Mr. Art Lee (Parliamentary Secretary to Solicitor General): 1. Treatment for sexual offenders is available at the Regional Psychiatric Centre (Ontario). The program lasts for twelve weeks. During the first half of the program, aversive conditioning is given and in the second half of the program, the patients receive group therapy. Some fifteen patients are involved in each program.

2. Aversive conditioning using electric shock is not applied to the genitals as the aversive stimulus. It is applied to the index and middle finger. (a) and (b) not applicable.

NOTE: Re: "Informed consent"—The patient's file is first studied to ensure that he is not mentally ill or suffering from mental retardation. In other words, this is done in order to ensure that there is no problem with regard to his being able to give informed consent. Next he is given an outline of the treatment program to study and may, of course, not wish to enter it. The program is then discussed with him by a staff member and videotapes of equipment, etc., are shown. If he wishes, he may then sign the consent form and following this he may withdraw from the program whenever he wishes to do so.

3. (a) Review procedures are not presently in effect to determine whether the consent is truly voluntary and informed. (b) While those released are followed up by research

staff of the Centre, insufficient numbers have been so released to enable a decision to be made as to whether or not the treatment is effective and should be continued.

4. There is no Ethics Committee as described in this question.

NUMBER OF WAR DISABILITY—PENSIONERS

Question No. 299—**Mr. Marshall:**

In graduations of 5%, how many (a) single (b) married war disability pensioners are there with disabilities between 5% and 100%?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs):

(a) Single Pensioners																			
Percent	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
W.W. I	545	826	438	528	246	285	117	219	15	237	35	97	16	59	31	232	34	82	16	385
W.W. II	3537	4481	1810	2268	986	1118	474	847	70	1059	169	454	104	215	109	247	50	93	36	924
Special Force	115	124	39	63	25	23	11	25	2	19	5	8	2	4	3	8	1	1	—	14
(b) Married Pensioners																				
W.W. I	833	1494	764	905	477	559	228	375	32	436	72	188	41	118	60	433	53	158	28	615
W.W. II	7541	11755	5163	6404	2996	3454	1324	2223	222	2936	547	1263	373	777	339	824	262	348	123	1786
Special Force	83	91	48	61	16	23	7	26	6	27	4	13	3	4	8	4	1	2	—	16

COMPENSATION FOR FORMER PRISONERS OF WAR

Question No. 300—**Mr. Marshall:**

1. How many applications have been received since the implementation of the Prisoner of War Compensation Act?

2. (a) How many have been processed for which payments have been sent out (b) are there any still on hand and, if so, for what reason?

3. Has the Department of Veterans Affairs received letters from First World War prisoners of war complaining of their exclusion from compensation and, if so, what are their (a) names (b) disabilities?

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): 1. At October 21, 1976, 6,128 applications for compensation under the Prisoner of War Compensation Act had been received. Benefits were paid automatically by the Commission to 1,117 Hong Kong veterans and other persons imprisoned by the Japanese for one year or more.

2. (a) At October 21, 1976, 4,953 claims had been approved for payment. (b) 853 applications are currently in various stages of processing. (322 applications were received from persons not eligible to receive compensation).

3. A number of letters and phone calls have been received from First World War prisoners of war. Complete statistics on these inquiries have not been maintained by the Commission.

NATIONAL DEFENCE—REPAIR AND CAPITAL COST IMPROVEMENTS TO BASES 1974-75

Question No. 488—**Mr. Hurlburt:**

For the fiscal year 1974-75, what was the dollar value of repairs and capital cost improvements to military bases in (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario (f) Quebec (g) Prince Edward Island (h) Nova Scotia (*i*) New Brunswick (j) Newfoundland?

Hon. Barney Danson (Minister of National Defence): The dollar value of repairs and capital cost improvements to military bases by provinces in Canada for fiscal year 1974-75 was as follows:

	Construction	Maintenance
British Columbia	$7,534,338	$8,374,877
Alberta	7,636,220	8,781,455
Saskatchewan	1,407,425	2,244,618
Manitoba	5,313,348	6,201,217
Ontario	19,204,269	12,272,499
Quebec	10,215,572	10,864,633
New Brunswick	1,509,443	8,052,351
Nova Scotia	9,694,030	15,025,638
Prince Edward Island	566,165	2,513,402
Newfoundland	212,989	579,173
	$63,293,799	$74,909,863

1974-75 BUDGETARY EXPENDITURES

Question No. 513—**Mr. Herbert:**

1. Does the chart indicating percentage distribution of 1974-75 budgetary expenditures by function, indicate 3% for internal overhead expenses?

2. What is the dollar make-up of this figure and to what departments are the amounts applicable?

3. What criteria are used to distinguish between overhead expenses and the administrative costs of (a) general government services (b) departmental administration costs (c) programme administration?

Hon. Robert K. Andras (President of Treasury Board): 1. Yes.

2. 1974-75 budgetary expenditures for the Internal Overhead Expenses function were $875.4 million. The amounts attributable to specific departments are presented in Appendix A.

3. Costs are assigned to the Internal Overhead Expenses function when: (i) they are incurred by certain departments and agencies, as listed in Appendix A, in providing support

services for the operations of other government departments, and (ii) it has been found impractical to attempt to attribute them directly to the actual programs to which they pertain. All other overhead costs associated with the administration of government departments, programs and services, are attributed directly to the appropriate program.

1974-75 Budgetary Expenditures
Internal Overhead Expenses Function
($ thousands)

Government Support Services		
Accommodation, Public Works	434,355	
Administration, Public Works	22,604	
Professional and Technical Services, Public Works	25,197	
Grants in lieu of taxes on federal property, Finance	71,930	
Legal Services, Justice	13,016	
Public Service Health, Health and Welfare	3,551	
Public Service Staff Relations Board	2,975	
Translation Bureau, Secretary of State	23,920	
Records Management and Technical Services, Public Archives	3,025	
Public Service Commission	53,960	
Administration, Supply and Services	9,039	
Services, Supply and Services	70,254	
Canadian Commercial Corporation	6,423	
	740,249	740,249
Contributions to Employee Pension and Medical Plans		
Public Service Pensions, Treasury Board	36,311	
Public Service Insurance, Treasury Board	91,943	
Public Service Employees Compensation, Labour	6,904	
	135,158	135,158
		875,407

Order Paper Questions

DEPARTMENT OF FINANCE—REGIONAL OFFICES

Question No. 599—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Department of Finance (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): In so far as the Minister of Finance is concerned: 1 to 5. Not applicable.

MINISTRY OF STATE FOR URBAN AFFAIRS—REGIONAL OFFICES

Question No. 615—**Mr. Munro (Esquimalt-Saanich):**

1. (a) How many regional offices are maintained by the Ministry of State for Urban Affairs (b) where is each located (c) for what area is each responsible?

2. On what date was each established and with how many personnel?

3. What is the present personnel strength of each office?

4. In addition to regional offices, are district or other sub-offices maintained and, if so (a) in what locations (b) how many?

5. Are the duties performed by those manning the regional and/or district offices line functions, in the chain of command from Ottawa to the operator in the field, or do they have other functions to perform and, if so, what are such functions?

Hon. André Ouellet (Minister of State for Urban Affairs): For the Ministry of State for Urban Affairs: 1. (a) One. (b) 2001 University Street, Montreal. (c) Mirabel peripheral lands.

2. April 1, 1976—6 man years.

3. Six permanent employees, five agency employees and 13 contract employees.

4. No.

5. The duties performed by the regional office are not line functions. The regional office is responsible for the planning of development for the peripheral lands of Mirabel International Airport.

VETERANS SENNEVILLE LODGE

Question No. 622—**Mr. Herbert:**

Is it the government's intention to proceed with the construction of new facilities at the Veterans Senneville Lodge in Quebec and, if so, what are the details of such construction?

Order Paper Questions

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Planning for the replacement of Senneville Lodge in Quebec has been deferred while discussion is continuing with the Province of Quebec with respect to the transfer of Queen Mary Veterans Hospital. When these discussions are completed, the Department will undertake definitive planning for the replacement of Senneville Lodge.

MR. DOUGLAS DURHAM

Question No. 633—**Mr. Beatty:**

1. Did the US Federal Bureau of Investigation notify the Royal Canadian Mounted Police of the covert intelligence activities conducted in 1973 by Mr. Douglas Durham, a former FBI undercover agent, in Edmonton, Alberta and, if so, on what date?

2. Did the government give American authorities permission to let Mr. Durham into Canada for the purposes of conducting a covert intelligence operation?

Mr. Art Lee (Parliamentary Secretary to Solicitor General): 1. On October 1, 1973, the Federal Bureau of Investigation notified the R.C.M.P. of Douglas Durham's intentions to enter Canada and on February 14, 1974, the Bureau reported that Durham had been in Edmonton, Alberta on or about October 4, 1973. The R.C.M.P. is not aware of any "covert intelligence activity" conducted by Durham while in Edmonton, Alberta.

2. No.

MR. GILBERT TALMA LAVOIE

Question No. 634—**Mr. Beatty:**

1. Did the RCMP list Mr. Gilbert Talma Lavoie in CPIC as "unlawfully at large" in (a) October 1972 (b) February 1973 following his escape from Stoney Mountain Penitentiary on June 17, 1972 and, if not, then by whom and on what date was he listed?

2. (a) Was a warrant issued by the RCMP for Mr. Lavoie and listed on CPIC in late January or early February, 1975 for failing to appear for trial and, if not, then by whom and on what date was it issued (b) did the RCMP enter a notice of a warrant on CPIC for Mr. Lavoie's failure to appear at his January 26 trial and again on May 20, 1976 and, if not, then by whom and on what date was it entered?

3. Is it common practice for police authorities to enter information into CPIC which had already been entered into the computer on an earlier occasion and, if not, for what reason was this done in Mr. Lavoie's case?

Mr. Art Lee (Parliamentary Secretary to Solicitor General): 1. (a) No. CPIC became operational for Wanted Persons only in November of 1972. (b) Yes.

2. (a) No. (b) No. A Canada Wide Warrant was issued for Lavoie for the original offence in 1972 under Section 133 c.c. (unlawfully at large) by R.C.M.P. Stonewall Detachment, Manitoba, on May 20, 1976.

3. No. The original Stonewall Detachment entry of November 1, 1972, for Lavoie was removed from CPIC by Stonewall Detachment on August 8, 1973 following Lavoie's arrest by the Vancouver Police Department on August 3, 1973. On May 20, 1976, a new Canada Wide Warrant was issued for Lavoie for the original offence in 1972 under Section 133 c.c. (unlawfully at large) and a new CPIC entry was made by R.C.M.P. Stonewall Detachment.

ACTIVITIES OF FORMER CHAIRMAN OF ANTI-DUMPING TRIBUNAL

Question No. 637—**Mr. Beatty:**

1. Has the Minister of Finance made inquiries arising out of his commitment as recorded on page 14758 of *Hansard*, of the First Session of the 30th Parliament, to determine whether the former Chairman of the Anti-Dumping Tribunal reimbursed the public treasury for time spent on private business while on the public payroll or for the use of government-paid travel or any other government facilities for private business purposes?

2. What was the amount, if any, that was repaid to the public treasury and what expenses did it cover?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. Yes.

2. In so far as can be determined, there is no evidence that would constitute the need for any restitution to be made to the Crown by the former Chairman of the Anti-Dumping Tribunal in regard to conducting personal business while on the public payroll. Furthermore, all travel expenses paid to him by the Crown were in connection with Anti-Dumping Tribunal business and were in accordance with Treasury Board Travel Directives that were in force at the time of the audit of those travel claims.

ELECTRONIC PAYMENT SYSTEMS

Question No. 638—**Mr. Beatty:**

What individual or bodies within the government currently have a responsibility to make recommendations to the government relating to electronic payment systems and, in each case (a) who is the individual or members of the body involved and for which department or agency does he or she work (b) to whom are reports made (c) on what date was the responsibility for electronic payment systems first given to that individual or body (d) on what date does the mandate of the individual or body expire (e) what reports or recommendations have been made to the government prior to June 16, 1976 and, on what date (f) what action has been taken by the government as a result of the recommendations and, on what date?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): In so far as the Department of Finance is concerned: In April 1973, the Government published a Green Paper entitled "Computer Communications Policy, a Statement by the Government of Canada." That paper contained a number of statements indicating the government's "current perception" on various computer/communications issues. Statement 16 of this paper said in part: "Recognizing the critical and pervasive role of financial institutions in the functioning of the economy, it is very important that, in the rapid evolution of computer/communications involving the payments system of the nation and other financial services, a competitive environment should be maintained and that developments be consistent with the general policies outlined herein." The Department of Finance, with the assistance of the Receiver General for Canada, the Bank of Canada, the Departments of Communications; Industry, Trade and Commerce; Consumer and Corporate Affairs; and others was given the task of preparing recommendations to ensure the continuing development of an

efficient and equitable payments system. The Working Group responsible for preparing these recommendations was chaired by the Director, Capital Markets Division, Department of Finance. The Working Group's recommendations were presented to Cabinet jointly by the Ministers of Finance and Communications. Subsequent to their evaluation by Cabinet, the government, in January 1975, published a position paper entitled "Towards an Electronic Payments system—A Statement of Government Policy concerning Computer/Communications and the Payments System." In this paper, the government announced its support for a common user communications network for the payments system and the creation of four committees with responsibility to make recommendations relating to an electronic payments system: 1. Interdepartmental Steering Committee on the Electronic Payments System. This Committee, chaired by the Director, Capital Markets Division, Department of Finance, is responsible for the overall coordination of government policy on the electronic payments system, including the maintenance of liaison with Committees 2, 3 and 4 as described below. (a) In addition to the chairman from the Department of Finance, this committee includes representatives from the Bank of Canada and the Departments of Communications, Consumer and Corporate Affairs, Supply and Services, and Justice. (b) The Minister of Finance and the Minister of Communications. In addition, each departmental representative reports to his or her Minister. (c) January 1975. (d) No expiry date. (e) No report to date. (f) Not applicable.

2. The Canadian Payments System Standards Group (CPSSG), a private sector committee, whose mandate is to develop standards and performance criteria that would be used in a common-user communications network for the payments system. (a) The CPSSG is made up of representatives from deposit-taking institutions, common carriers and computer equipment manufacturers and others, as required, including retailers. It is chaired by Mr. Roger Charbonneau of L'école des Hautes études, Montreal, whose services are provided through the auspices of the Bank of Canada. (b) The CPSSG reports to the Interdepartmental Steering Committee on the Electronic Payments System. (c) January 1975. However, the chairman was not appointed until September 25, 1975 and the Group's first meeting was not held until April 27, 1976. (d) No expiry date. (e) No report to date. Interim report expected by December 31, 1976. (f) Not applicable.

3. Justice Study on Legal and Consumer Issues. This Study is being conducted under the leadership of the Department of Justice and is charged with the responsibility to ensure that the legal and consumer aspects are considered and the legal framework for the payments system evolves in line with new payments methods. This Study is being conducted in consultation with interested parties, including the Departments of Finance, Communications, Consumer and Corporate Affairs, Supply and Services, the Bank of Canada, and the Royal Canadian Mounted Police. (a) See above. (b) The Minister of Justice. (c) January 1975. (d) No expiry date. Interim report is expected by December 31, 1976. (e) No report to date. (f) Not applicable.

4. Committee on Credit/Payment Cards. This committee, chaired by an officer of the Capital Markets Division, Department of Finance, was established to examine the financial markets structure and composition policy aspects of generalized credit card systems and payment cards. (a) This Committee, in addition to the chairman, includes representatives from the Bank of Canada and the Department of Consumer and Corporate Affairs, and the Department of Justice. (b) The Minister of Finance. (c) January 1975. (d) No expiry date. (e) No report to date.

COMMODITY NEGOTIATIONS

Question No. 686—**Mr. Hnatyshyn:**

What will be the nature of the participation of the government in negotiations and discussions which will take place during the next two and one-half years on the world commodity pact agreements which took place at the recent UNCTAD IV Conference in Kenya?

Mr. Fernand E. Leblanc (Parliamentary Secretary to Secretary of State for External Affairs): Canada will take an active part in consultations and negotiations both on the individual commodities which were listed for priority attention at UNCTAD IV earlier this year, and on a Common Fund or other financing mechanism. The extent and level of our participation in individual meetings will vary according to the significance for Canada and for the developing countries of the commodity concerned. We shall be guided by the principle that both producers and consumers should be represented in any commodity agreements or associations resulting from these negotiations, and we shall continue to support the principle of joint producer-consumer responsibility for buffer stock financing within commodity agreements which establish such stocks.

STAFF IN OFFICE OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Question No. 693—**Mr. Fortin:**

What (a) are the names (b) were the description of duties (c) were the annual salaries of persons employed in the office of the Minister of Consumer and Corporate Affairs (i) on July 8, 1974 (ii) since July 8, 1974?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Department of Consumer and Corporate Affairs—as at October 18, 1976:

(i) Exempt Staff in Ministers' office as at July 8, 1974 (Hon. H. Gray).

Order Paper Questions

(a) Name	(b)Description of duties:	(c) Salary in range of:
Aronson M.	Special Ass't	$15,000-17,500
Connolly P.	Executive Ass't	$17,500-20,000
Klie P.	Special Ass't	$10,000-12,500
Sampson A.	Clerk	$9,280-10,146
Sheffield M.	Clerk	$7,777-8,499
Vienneau M.	Research Ass't	$15,000-17,500
Wright T.	Special Ass't	$15,000-17,500
Ages J.	Special Ass't	$15,000-17,500
Lapointe F.	Private Sec.	$11,043-12,086

(ii) Exempt Staff in the Minister's offices since July 8, 1974 (Hon. A. Ouellet Hon. B. Mackasey)

Name	Description of Duties	Salary in range of:
Gilbert C.	Clerk	$4.75 per hour
Beaulieu L.	Private Sec.	up to $14,500
Dupré M.	Secretary	$10,532-11,519
McCoy R.	Special Ass't	up to $21,000
Burke T.	Special Ass't	up to $21,000
McBride M.	Executive Ass't	up to $25,000
Davidson J.	Special Ass't	up to $21,000
Leblanc P.	Special Ass't	up to $21,000
Bourgouin G.	Constituency Secretary	$8,324-9,092
Maguire L.	Secretary	$500. per month
Lafontaine R.	Special Ass't	up to $21,000
Grossman A.	Executive Ass't	up to $25,000

Exempt Staff in the Minister's Office as at October 18, 1976 (Hon. A. Abbott)

Mills C.	Private Secretary	up to 17,900
Moore, M. P.	Special Assistant	up to 22,900

SPECIAL ASSISTANTS TO MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Question No. 695—**Mr. Fortin:**

What (a) are the names (b) were the duties (c) were the salaries of the persons employed as special assistants to the Minister of Consumer and Corporate Affairs (i) on July 8, 1974 (ii) since July 8, 1974?

Hon. A. C. Abbott (Minister of Consumer and Corporate Affairs): Please refer to the answer to Question No. 693.

THE DIVINE LIGHT MISSION

Question No. 698—**Mr. Munro (Esquimalt-Saanich):**

1. Was "The Divine Light Mission", permitted to administer to the spiritual needs of prisoners in federal penal institutions and, if so (a) on whose authority (b) at which institutions was authority granted?

2. Was the group or their representatives permitted to use the penitentiary chapels and, if so, on whose authority?

3. Have any reports been received by the Solicitor General's Office relating to the activities of the group in the penitentiaries in which they are operating and, if so, is the general tenor of the reports neutral, commendatory or condemnatory?

Mr. Art Lee (Parliamentary Secretary to Solicitor General): 1. Yes, on two occasions, to visit two inmates who have since been released. (a) Institutional Administration. (b) William Head Institution.

2. No.

3. As far as the Canadian Penitentiary Service can ascertain there have been no neutral, commendatory or condemnatory reports received by the Solicitor General's office concerning The Divine Light Mission.

ST. LAWRENCE ISLANDS NATIONAL PARK—TOLL FEES

Question No. 704—**Mr. Cossitt:**

1. What was the total amount of tolls or fees collected by Parks Canada in the St. Lawrence Islands National Park, including the mainland section in (a) 1975 (b) 1976?

2. (a) What was the total cost of operation of the St. Lawrence Islands National Park in (i) 1975 (ii) 1976 (b) in each case, what percentage was covered by tolls or fees?

3. If there was a decrease in the amount of tolls or fees collected between 1975 and 1976, what are the reasons accounting for such a situation?

Mr. B. Keith Penner (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. (a) 1975, $42,578. (b) 1976, $25,743.

2. (a) (i) 1975, $399,115; (ii) Forecast for 1976 up to March 31, 1977, $430,300. (b) 1975, 11 per cent; 1976, 6 per cent.

3. Decreases in 1976 are as follows: Camping: decrease of $2,595 due to the wet summer. Motor licence: decrease of $6,701 due to the fact that the entrance fee was reduced from $2.00 to $1.00 and also due to the wet summer. Docking: decrease of $7,539—a revised fee schedule allowed lower docking charges for most boats. In some cases, the fee was 50 per cent lower than in 1975. The wet summer also reduced usage.

* * *

● (1530)

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 776 could be made an order for return, this return would be tabled immediately.

[*Text*]

ANTI-INFLATION BOARD—COMPLAINTS RECEIVED

Question No. 776—**Mr. Rodriguez:**

1. As at March 12, 1976, what number of complaints were received by the Anti-Inflation Board concerning price increases by (a) month (b) type of complaint (c) province?

2. Have any such complaints been investigated by the Board and, if so (a) how many (b) in what manner (c) what was the disposition in each case?

3. Did such complaints result in Board action which rolled back, reduced or eliminated the increase and, if so, how many?

4. Did any complaints involve pre-notification to the Board in advance of the price increase and, if so, how many?

Return tabled.

[*English*]

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

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions for the production of papers Nos. 1, 15 and 23?

[*Text*]

COPIES OF ALL CORRESPONDENCE RELATING TO CANADA'S CLAIM AGAINST THE GOVERNMENT OF FRANCE

Motion No. 1—**Mr. Marshall:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, letters and telegrams relating to Canada's $11 million claim against the Government of France as a result of the opting out by France of the NATO military alliance and the eviction of participating units in 1966.

Mr. Paproski: Stand.

COPIES OF ALL REPORTS OR REVIEWS RELATING TO NATIONAL FOOD POLICY

Motion No. 15—**Mr. Nystrom:**

That an Order of the House do issue for copies of any reports or reviews with respect to a national food policy prepared by or under the direction of the group known as the DMs Ten.

Mr. Broadbent: Stand.

COPIES OF ALL TASK FORCE REPORTS, REVIEWS OR STUDIES WITH RESPECT TO LEG HOLD TRAPS

Motion No. 23—**Mr. Whiteway:**

That an Order of the House do issue for copies of any task force reports, reviews or studies with respect to the use of leg hold traps.

Mr. Paproski: Stand.

[*English*]

Mr. Speaker: Shall the remaining notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed, from Monday, November 8, consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I have a few comments I would like to make about this bill—

Mr. Knowles (Winnipeg North Centre): With no restraint.

Mr. Stanfield: —with not too much restraint and a good deal of emphasis. I am particularly interested in clause 15 which, among other things, relates to the movement of grain and flour into the Atlantic ports. I hope anything I say will not be taken personally. This clause of the bill concerns the Minister of Transport (Mr. Lang) in particular. I assure him I do not rise today to attack him. I think he is doing a sufficient job himself without any assistance from me.

Some hon. Members: Hear, hear!

Mr. Stanfield: The bill in general is substantially an exercise in public relations. It is not that it does not affect anything. The clause I am discussing clearly has some very detrimental effects. For example, it has a substantial impact with regard to eliminating for the time being the indexing of family allowances. The point of the exercise, as I see it, is to try and pick out a few things that people will feel in order to try to persuade the Canadian public that the government is making a real effort to exercise restraint and control its expenditures.

I wish to say just a word about eliminating for the time being the indexing of family allowances. I can understand why that move by the government is so annoying to many members of this House. During the election campaign the government made a real point with regard to indexing family allowances. It now turns around a year or so later in an effort to convince the general public that it is trying to save money, and suspends the indexing. It will, of course, restore the indexing before it has to face the public again. In other words, insincerity runs throughout the whole of the bill.

Some hon. Members: Hear, hear!

Mr. Stanfield: The bill is insincere. It is designed to persuade the general public that this is only the tip of the iceberg, and simply indicates the kind of savings efforts the government is making. The fact that it is by and large a public relations effort does not mean that particular parts of the bill are not harmful or damaging. I refer in particular to clause 15 which relates to the Railway Act and which the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale)

and others have conceded will be very damaging to milling interests and others.

I have not been able to be in the House during the most of this debate, but I have read what has been said. I read the very able presentations by the hon. member for Crowfoot (Mr. Horner), the hon. member for Halifax-East Hants (Mr. McCleave), and the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

An hon. Member: Any from this side?

Mr. Stanfield: Yes, I read with great care the remarks made by the Parliamentary Secretary to the President of the Privy Council. As far as I can judge, he seems to think this is really a question of whether or not we want to trade with Cuba.

Mr. Goodale: That was Horner.

Mr. Stanfield: The parliamentary secretary made a great point that the members of the Conservative party should decide whether we want to trade with Cuba. I say to the parliamentary secretary that I can understand why he might adopt such a myopic attitude toward this bill.

Mr. Paproski: Good old tunnel-vision Goodale.

Mr. Stanfield: I can understand why he might find it difficult to see anything beyond the interests of his part of the country. He and his party are an endangered species in that area.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Halifax (Mr. Stanfield) has the floor. I suggest we all listen.

Some hon. Members: Hear, hear!

Mr. Stanfield: Besides all the things the parliamentary secretary said about Cuba, he indicated it was his understanding that the Minister of Transport would be making a statement with regard to the milling industry. He said, and I quote:

It is interesting to examine the kind of grain movement this particular section of the Railway Act—

He went on to talk about that and he said:

Bill C-19 proposes that section 272 of the Railway Act be repealed. It has been mentioned earlier today, and it is recognized by this government that such action would have an impact upon the Canadian milling industry. Various ministers of the government have been engaged in intensive discussions with representatives of the milling industry in the last few months in order to try to deal directly with the economic and industrial problems facing millers. The mechanism needed to provide the assistance they claim they require has been under intensive discussion inside government, and outside with industrial representatives. These discussions have borne fruit, Mr. Speaker. The minister responsible for the Canadian Wheat Board, the Minister of Transport (Mr. Lang), will, I understand, be participating later in this debate to explain to members opposite and to the industry the details which have been worked out to provide a more sensible, economic, and effective method of dealing with the problems of the milling industry.

[Mr. Stanfield.]

I want to make two points in connection with this. First, this statement by the parliamentary secretary, and the concerns that he indicates the minister in charge of the wheat board has, do not go beyond the milling industry. They do not concern themselves with what this is going to mean to the Atlantic coast ports.

● (1540)

In particular, Sir, I want you to recall the history of this bill and its predecessor. We have been discussing this subject for many, many months. We were discussing it before the recess. In other words, the government put forward a predecessor to this bill, one which it now admits would do serious damage to the milling industry and which it now concedes should be revised so as to reflect proposals which the parliamentary secretary has said the Minister of Transport intends, some day, to disclose to us.

The point is that this arrogant government took us all round this subject in the course of the debate on Bill C-87 without once disclosing what its alternative would be. It asked us to accept the proposition that sections of the Railway Act be eliminated without giving us any indication of what the alternative would be. It did not even suggest it had an alternative. Now the second reading of Bill C-19 has been called. We debated it last Friday. We debated it on Monday. And we are debating it again today. This arrogant government has placed a bill before the House asking us to accept a proposition without even yet disclosing to us what alternative is necessary. And members on the other side wonder why they don't get more accomplished in the House.

Why has the minister declined to disclose his proposal? He and his parliamentary secretary knew perfectly well the degree of concern which has been felt by many of us and what is more important, by many of our constituents. Why did not the first speaker for the government on the second reading of this bill disclose quite frankly the alternative which the department intended to pursue? Why did the government take the time of the House if it did not propose to give us this information? I have to ask myself, of course, whether the Minister of Transport or the first spokesman for the government failed to put forward this proposal because they did not know what it was to be, or because they did not believe it would be effective, in any case. Or perhaps their attitude was: we intend to push this measure down the throats of the opposition, anyway.

Mr. Knowles (Winnipeg North Centre): So what's new, anyway?

Mr. Stanfield: If the minister has a concrete alternative to the section of the Railway Act in question as it affects the milling industry and the movement of grain and flour through east coast ports, I ask him again why he did not disclose it in the course of the first speech made from the government side so that we could debate government policy intelligently? As things are now, we have no choice but to oppose this bill until, at least, the minister puts forward his alternative and we have a chance to consider whether, by chance, it is a suitable one.

It is almost unbelievable that a government which purports to take parliament seriously, a government which pretends too much time is taken up in debate, should refrain from placing this alternative before the House so that we could assess it. After all, we might possibly decide that it is good enough and that it would take care of the situation. There is no way in which the government can excuse itself in this respect, no way in which it can expect us to agree to the passage of this bill on second reading. Incidentally, I understand that a press conference is going on outside this House at the present time—perhaps it is finished by now—concerning the vexed question of General Steel and Westinghouse.

Mr. Paproski: Shameful!

Mr. Stanfield: Nothing can justify this—this thoughtlessness; perhaps I should not use the word "arrogant". Nothing can excuse this ineffectiveness and indecision.

Let us see what the minister has up his sleeve. Until he discloses his alternative to clause 77 the government should withdraw the bill because, as things stand, it is simply wasting the time of the House. I cannot understand how the President of the Privy Council (Mr. MacEachen), the government House leader, a member of parliament from Nova Scotia, could let this happen. I cannot believe he takes such a light view of what might happen to the milling industry in the east, and to the milling industry in Halifax in particular; to the work of the stevedores in the east coast ports and to the effect of the disappearance of the apparatus down there on a viable feed industry. I find it impossible to understand how the President of the Privy Council, if he is paying any attention to the business of the House—I regret to say this in his absence, but it has to be said—could have let this bill come forward without insisting that the Minister of Transport should inform the House what the alternative is.

Mr. Baker (Grenville-Carleton): Right off the top!

Mr. Stanfield: It should have been done last Friday. Unless the minister is prepared, right now, to disclose in some detail what he has in mind, this bill should no longer be debated at this time.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am pleased to rise after the hon. member for Halifax (Mr. Stanfield) to enter the debate on Bill C-19. This is a bill which was first seen in the House last session although it did not make progress then. It is my intention to follow the indication given by the parliamentary secretary to the government House leader in the second speech made from this side on the bill that a specific proposal in relation to clause 15 would be forthcoming.

The fact of the matter is that we have conducted a whole series of discussions with the milling industry over a long period concerning the maintenance of significant flour exports, with particular reference to the ports of Saint John and Halifax. When the earlier bill was on the order paper I stated it was our intention to do some serious work on the question of the movement of grain and flour which could and should take place after the old section 272 of the Railway Act was no longer in existence.

• (1550)

I should say first of all in a general way that the opposition is in the strange situation—and I heard the hon. member for Halifax again follow this pattern—of looking at those matters in the bill which were temporary restraint measures in non-spending, where in other words the specific item being cut was being cut for only one year, and labelling that somehow as a lack of sincerity. To save money in one year is a specific thing being done. Perhaps what he was highlighting was that many of these programs such as family allowances, which were created and improved by Liberal governments, are considered very important by us in this country and it was only with regret that we felt that the balance of fiscal restraint required any cut in that particular program for even one year. But when we come to other clauses of the bill which are permanent in their nature in terms of expenditure restraint, hon. members oppose them on a basis of the politics which perhaps originally made then exist without, I think, a very thorough investigation of their impact.

If the government on behalf of the taxpayers in this country wants to cut expenditures, as it does, one of the clearest places to go to work is where expenditures have unfortunate impact and where the spending is unwise or leads to extra cost than is otherwise the case. This is a general issue which, as hon. members know, I am facing in transportation from one end of the country to the other. It is a general proposition which we are having to follow in order to try to bring transportation to a modern state, in order to have the dollars to invest in transportation most effectively. We have to stop spending those dollars on transportation which in some way is ineffective.

One of the general propositions is that when costs are hidden by being charged to the taxpayer we actually quite frequently end up incurring more transportation costs than would otherwise be the case. We are apt to have a heavier movement of goods or over greater distances than would otherwise be the case. I notice that this theme is taken up in a very effective way by the spokesman for small business in this country, John Bullock, who emphasizes that the very costs of transportation will gradually, if they are indeed allowed to be borne in the sector where they occur, again encourage the development of small business and smaller enterprises. I think the theory he stresses is that while some economies of scale result from bigness one of the problems with that kind of single location production may very often be transportation costs, which result in the redistribution of processed goods rather than the direction of the raw materials as quickly as possible to a particular point for their production into final form and their use and consumption closer to that particular point. He talks about costs. But of course for people doing business, rates very often are the guiding principle rather than actual costs.

If the taxpayer is asked to bear part of the cost, then those rates are lower than the real cost, and the impact of regionalization of smaller businesses being developed is less likely to be felt. In other words it is not particularly because we want to adopt a principle of the shipper being the more appropriate person to pay the costs than the taxpayer, that we maintain that it is better if that is so, but rather the reason it is better is that when it is borne more directly by the person considering the shipment of goods it is likely that the least costly alternative will be followed, and the total amount spent on transportation will be lower. That really means it is not just a matter of who pays—between the taxpayer and the person who is asking for the service or using it—but whether the lowest possible amount is in fact incurred. That, in other words, says that we would want to protect against excessive costs being charged by any mode of transportation. I am talking about real costs which are incurred and which therefore have to be paid by someone if the goods are shipped at all.

I use the example in the travel modes of the contrast between the bus, the train, the airplane, and the car where by and large the bus pays more fully its own way while each of the others are subsidized to different degrees. Why should we encourage a particular person to choose one mode against the other if, left to his own devices, he would prefer not to spend the extra money in order to save the time that, for example, the airplane would allow him to save?

If you had been able to give a man $50 and give him his choice as to whether or not he pays it out on plane fare, or spends $15 to go the same distance by bus and have the $35 for other purposes, then it would be a fair choice for him in terms of the value he puts upon his time and on the other things he could have with that $35 which is left over. But if we put different levels of subsidies or taxpayers' money on different modes of transportation then we really say to him that he does not have the choice of the alternative use of that money. We put out taxpayers' money if he goes one way, but do not put out anything for him if he goes the other way. If we thereby induce him to take a method of transportation that he would not on his own choose, we end up also having to pay additional money for airports and facilities which become over-burdened, and for which of course great expenditures are required. That is an example which I think is particularly pertinent in any area where transportation methods are sufficiently mature, to use the term which is in use, so that a legitimate alternative and choice can be offered to individuals.

Where there are not enough people moving between points, such as in a remote area, or where for developmental reasons only two modes of transportation are possible, different arguments can apply, and of course we stress at all times that it is our hope as we see these changes of real costs being reflected and that remote and developmental areas and regions will be kept very much in mind. This example of higher costs being employed when money is paid out was outlined by the parliamentary secretary to the government House leader, the hon. member for Assiniboia (Mr. Goodale), when he described how the existence of the "at and east" rates meant that particular money from the treasury was available for a very particular movement of grain and flour, and that that involved several more handlings of the grain and flour than might be required in other means of transportation.

To take grain as an example, it goes by truck to an elevator in the prairies, then proceeds by train to Thunder Bay, then is placed in an elevator, then is placed on a ship, then is transmitted to the bay ports of Georgian Bay and is there put into an elevator; then it is put on a train and is moved to Saint John or Halifax. That has to be compared with an alternative movement which would be direct by train from a prairie point, to Saint John or Halifax without another handling of the grain in between. So long as the subsidy is on one of the many handling methods it is obvious that that method may continue to be used where it is simply uneconomical in terms of cost and yet, because of the rate being important to the person shipping the goods, where with the subsidy it continues to make sense. We are aware, of course, that as changes are made from a system where subsidies exist to a system where charges are more adequately reflected, so judgments can be made on the basis of real costs, adjustment problems will be involved.

● (1600)

It will not always be possible simply to make a change having no regard in the intervening period for the effect upon particular industries, consumers or producers, individual human beings who will have predicated their practices on the existence of the pattern. Therefore, if changes in various freight charges are made and we find that industries were established on the basis of the artificial situation, we will be concerned about the impact in the intervening period on people accustomed to the old rate structures. That is why in this case, while we were satisfied that the retention of the rate was a cost to this country which was out of proportion to any benefit that flowed back to it because it was simply an encouragement to use additional labour and capital for non-productive purposes in moving grain to a particular place, and while it was desirable to change that, it was worth examining together with the flour milling industry the question of their continued ability to meet export commitments and the export sales which they would like to make. These discussions went on for a long period of time and have only come to an end now.

Today I received from the millers an indication that the proposal which we have been developing would be accepted by them and that they would indeed conclude that with it, at least for several years, the flour exporting business will be secure. The proposed plan makes available to the milling industry $9 million in the first year, decreasing it progressively over a five year period. It relates to flour for commercial export and for multilateral aid. We will work out the exact formula with the milling industry for the payment of this amount of money in relation to the hundredweights of flour exported in these two categories, considering, so far as we can, in proportion to hundredweight the impact that the removal of the "at and east" rate, or the removal of section 272 of the act, has upon the business of the particular miller.

Many of the mills in Canada are working at full capacity, particularly in certain places in central Canada and in the east. This would ensure that mills in other locations which, in the short run, might have been threatened by the simple removal of this section, will continue to compete for the export market and for multilateral aid shipments.

I am confident that the method of moving this flour and grain will change in time, and that is the reason for the progressive reduction in the amount of money contained in the proposal. Adjustments can be made where the possible elimination of stop-offs, the extra handling of flour that is involved may allow direct shipments of flour from mills at a prairie location through to Saint John or Halifax, much as has been discussed in relation to grain. In any case the millers are confident that for two years their exports will be assured, and while they wish to reserve the right to reconsider the situation at that time, I am confident that we will find that the adjustments which are required will take place and that, to the extent that exports are possible at that time, they will be continued by the flour industry without the permanent existence of "at and east" rates.

In a similar way I should say we have continued our work on the concept of moving grain by train direct from the prairies to the elevators in Saint John and Halifax which, over the years, have done a significant winter handling of grain. While these discussions are not completed, I believe that they look promising. I have seen some of the cost analyses and I believe that there is a real possibility of the railways and the Canadian Wheat Board coming to an arrangement which will allow this movement to continue in future years. I will certainly encourage the Canadian Wheat Board and the railways to get trains into operation in this way for the good of the whole country.

I have had many expressions of concern from members in the House. Among my own colleagues I can think immediately of the hon. member for Bruce-Grey (Mr. Douglas), the hon. member for South Western Nova (Miss Campbell), and the hon. member for Saint John-Lancaster (Mr. Landers), who are concerned about flour production and export. In the case of the latter two, they are concerned about the movement of the flour through the ports in their provinces. I believe that this important action will tend to ensure that that will happen, but at the same time adjustments to the removal of section 272 will take place which will allow flour and grain to be exported from Canada at lower cost to the people of Canada in total. As I said at the beginning, that is the important objective in shifting the cost from the taxpayer to the user. The purpose is not particularly to reduce the burden of the taxpayer, who after all is another Canadian to be considered, but because the shift tends to mean that the costs will be lower because with all costs having to be borne by the person who makes the choice as to the method of transportation and the technique of developing business, he will tend to favour the lower cost alternative wherever one exists.

The interesting thing is that quite often as we look at the transportation system of this country we find that taxpayer subsidies instead of user charges have often had a counter-developmental tendency, that is to say, they have actually, as John Bullock tends to say, discouraged small businesses and enterprise, and quite often they have encouraged the movement of goods out of Canada in bulk or unprocessed form. It would be better if these goods were processed in areas where, according to our policies aimed at developing remote areas such as the north, the west and the Atlantic area of this country, we would like the employment to be.

I therefore ask hon. members to recognize this problem as an assurance regarding the movement of our flour, about which they were concerned, and to see the advantage of taking this further step in removing an artificial subsidy on transportation which has had the impact of producing higher transportation costs than required for the movement of Canadian products, and therefore a net loss for all Canadians.

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, in taking part in this debate on Bill C-19 I want to say, first of all, that I lend my support to the very timely remarks of my colleague, the hon. member for Halifax (Mr. Stanfield), especially those portions of his remarks that dealt with the history of this bill as it relates to Bill C-87. It is perhaps unfortunate that the Minister of Transport (Mr. Lang), in making the remarks which he just completed, did not make the same comparison. I am sure that it would have been very helpful in sustaining a much more knowledgeable debate on this subject, and the remarks on flour milling which he just enunciated and which evidently related to a meeting with the Canadian National Millers' Association, I presume today, would have been very much appreciated by all of us who are deeply concerned about this subject if they had been made much earlier.

● (1610)

However, I want to proceed with my comments on this subject. This is a very important piece of legislation, if only because it was carried over from the previous session when it was known as Bill C-87. My remarks will be quite specific and about only two aspects covered by clauses 14 and 15 relating to the Western Grain Stabilization Act and the "at and east" freight rate for grain and flour. The western grain stabilization clause, to quote the explanation in the bill:

> . . . would authorize the Minister of Finance to postpone crediting amounts in the Consolidated Revenue Fund to the Stabilization Account under Section 41 of the Eastern Grain Stabilization Act until a later time, at which time interest would also be credited.

Since this bill claims certain "restraints of government spending", the government obviously feels that this specific clause will indeed do just that. Surely it is quite clear that this device is only a bookkeeping entry which postpones the government's 4 per cent contribution. In the interim this contribution very likely will be spent elsewhere. At least, that seems to be the implied intent. Who knows, maybe it is for promoting the metric system for grain or for some other such project.

The grain stabilization program is a new program which has had its problems being accepted by western grain producers. In spite of the two for one contribution by the government over producers, there are still some 35,000 prairie grain producers

who have stayed out of this scheme. One of the reasons for this must be a lack of confidence or distrust in the concept and, of course, in the government. Certainly clause 14 seems to promote such distrust. Why should farmers not ask for the same postponement deal for them? Why not credit their 2 per cent share to their account and allow them to use the money elsewhere? I think that makes sense, if the other proposal does.

I want to devote most of my comments to clause 15 of this bill. There are only eight words in this clause which are: "Section 272 of the Railway Act is repealed". What a story there is behind those eight words! The clause would abolish the subsidy on the movement of export flour and grain through eastern ports and lift the freeze for grain rates set at 1960 levels, and for flour rates set at 1966 levels. If permitted, this action would strike very close to home for me.

The flour milling industry was one of the earliest in my home city of Medicine Hat, in southern Alberta. It was at its peak some 20 years ago, although it started in the early part of this century. There were three thriving flour mills in Medicine Hat employing about 300 people. There were also secondary jobs, mostly in transportation. Now, thanks to the falloff in export demand for flour, our local production is off by perhaps 30 per cent, and now the industry employs only about 150 people. One of the three mills has been closed for a number of years. It may or may not be significant that this mill which has been closed, is presently being converted into a combination hotel and pub. What a solid foundation and structure it will have! No doubt its name will include the phrase "Old Mill" or some other connotation of that. I am not downgrading Medicine Hat's newest hotel and pub, and I am sure it will be a successful venture, but the point is that, with the removal of these "at and east" flour rates, our two remaining flour mills may face this same option.

This proposal would hurt western flour mills the worst, since their products must be transported to the east coast for final export shipments, mostly to Cuba. Our western mills would be hurt on a year-round basis, not just in winter when the Seaway is closed.

Canada's flour exports have been dropping consistently for the last 20 years, in spite of an increase in world demand for flour. That increase in world demand is up by over 50 per cent. In 1954 Canadian millers were exporting about 20,142,824 cwts. of flour annually. By 1975 these exports were down to about 8,426,370 cwts., and that is considerably more than 50 per cent. During this same interval the number of active Canadian flour mills dropped off from a peak of 78 to the current 31. This dramatic downturn in Canadian flour production and export is due mainly to subsidy policies of foreign governments, especially the United States and the European Economic Community.

With the exception of these "at and east" rates Canada has chosen not to give further assistance to our flour milling industry. In addition, Canadian export flour always has had to contend with higher seaboard costs compared with our chief competitor, the United States.

[Mr. Hargrave.]

The repeal of section 272 of the Railway Act represents increased railway rates from $17.64 to $22.05 per metric ton on flour exports, and that, in the opinion of the Canadian National Millers' Association, and I quote, "will virtually guarantee the speedy demise of Canada's already eroded export flour trade", and even more so, that of our western flour mills.

If this proposed action to bring an end to the "at and east" freight rates is an example of the user pay concept of the Minister of Transport (Mr. Lang), then it is most apparent that this action will impose a cruel hardship on a small sector of our total Canadian industry, which is completely unwarranted and very shortsighted.

The 1961 statutory flour rates were established for four principal reasons: first, to encourage the continued use of existing eastern seaports; second, to help keep Canadian flour mills competitive in world markets; third, to complement, promote, and assist in the expansion of Canada's grain industry, especially in western Canada; and fourth, to benefit our entire Canadian economy with obvious spinoff benefits, not the least of which is improving Canada's balance of trade position with regard to our manufactured goods.

Fifteen years later these same reasons are still every bit as valid as they were back in 1961. Surely in its zeal for restraint of government spending this portion of the bill cannot really be considered as such because of the total net effect it will have on loss of production and loss of jobs to our entire economy, and let us not forget the loss of what is left of our export flour markets. That is why I say the policy is short-sighted. Russia has made it clear that in its opinion, even before this bill becomes law, Canada is no longer competitive in world markets. The Russians have also indicated they will look elsewhere for Cuba's flour supply or, as another alternative, will finance their own flour mills in Cuba. In any event, the result for Canada is less export demand for our flour which is produced by an industry that worked at only 76.6 per cent of its capacity in the 1975 crop year. I would think the biggest part of that shortage in capacity is in the flour mills in western Canada.

• (1620)

We should not overlook another aspect of the implications of this freight rate increase. The new higher rates will be commercial tariff rates, not subject to the same government scrutiny as are the existing compensatory rates.

In his contribution to the debate last Friday the Parliamentary Secretary to the President of the Privy Council (Mr. Goodale) said the Minister of Transport would be contributing to the debate later, and indeed we have just heard him. The parliamentary secretary said that the minister would explain to the opposition, and to the industry, the details which have been worked out to provide a more sensible, economic, and effective method of dealing with the problems of th milling industry. It is unfortunate that these remarks were not made at the beginning of the debate, for rather obvious reasons.

The minister has just finished saying that the net effect of these would be perhaps to lower the cost of transportation to

the Canadian people. I wonder at what expense. If it means the demise of the flour milling industry in western Canada, and I see this possibility, then it is a short-sighted policy. I am sure there are ongoing discussions on this important matter with the Canadian National Millers' Association, and the minister indicated that. I hope that when the bill goes before the standing committee the association will be called so that we can hear their evidence on why the Canadian flour industry cannot continue to compete with export subsidies offered by other countries when ours are being eliminated.

In conclusion, Mr. Speaker, I suggest it is appropriate to point out an inconsistency between the probable net result of clause 15, if implemented, and the recent proposal for future action by the Minister of Manpower and Immigration (Mr. Cullen) when he announced a $358 million program to stimulate future employment some time next year. Surely clause 15 would have just the opposite effect—that of reducing employment in the flour milling industry and other ancillary activities. I have to come to the conclusion that clause 15 should be deleted from the bill.

Mr. Cliff McIsaac (Parliamentary Secretary to the Minister of Regional Economic Expansion): Mr. Speaker, I do not wish to take much of the time of the House this afternoon, but I was prompted to try to get in a few minutes on the particular subject discussed by the hon. member for Medicine Hat (Mr. Hargrave) who just spoke. Before doing so, however, may I make a few general remarks.

I am continually amazed when hon. members opposite from all parties, but particularly the official opposition, speak with great expression of concern about government spending, overspending, waste, spillage, and so on. When we come to deal with that general question, however, as we do in a bill like C-19, they can see nothing right or proper in it. They speak with forked tongues, as the hon. member for Scarborough West (Mr. Martin) says.

This is a very important bill, Mr. Speaker, and is of concern to all members regardless of their political affiliation. It is important that the tax dollars we spend are well spent. A bill of this kind affords an opportunity to review some of our programs. It is always painful to reduce or delete a government program, whether it is the Company of Young Canadians or any other. There are many good things to be said for the expenditures as well as the criticism of them.

The hon. member for Medicine Hat referred to two subjects that I should like to deal with briefly. One is the fact that through this bill the government's contribution to the Grain Stabilization Fund will be deferred. He was correct when he pointed out that there is absolutely no change in the government's obligation to make payments into that fund. I do not think it is a fair comparison to say, as perhaps farmers can justifiably say, "Why do you not do the same thing with our 2 per cent?" On the one hand we are talking about a government commitment in the legislation to double the total producer contribution into the fund each year and we are asking, in trying to find government revenues and put them to best use, for the right to defer those payments. There is certainly no question about the government's obligation in this respect.

Perhaps my hon. friend would agree that the time may not be very distant when we might be making payments out of that fund in view of the current price of wheat. I am glad there is a stabilization plan in effect that will help meet that situation, when and if we run into it, as we have in the past. The clouds on the horizon indicate we might be back in that situation sooner than we would like. The government's obligation has not changed in any way, however.

I regret that more than 30,000 western producers have decided to opt out of the plan. I do not put that down to the fact that farmers are not prepared to accept the trust or confidence of this government; however, they have been listening to some of the chatter and nonsense in the discussions that led up to this bill, although I certainly cannot say that of the hon. member for Medicine Hat. Many members of the NDP and provincial NDP governments, however, have belittled the government's effort to shore up the grain farming industry in the west. If a number of farmers are opting out I would say it is due to the kind of negativism that preceded the debate on the grain stabilization bill.

The other point raised by the hon. member for Medicine Hat referred to the "at and east" rates and what is happening to the flour milling industry in eastern Canada, and the downgrading of that industry that has taken place over the years in western Canada. I am sure he is much more familiar with this matter than I, but I have seen mills close in Saskatoon over the last few years and certainly that is a concern of the government as well as of my hon. friend. I do not see how the "at and east" rates could influence that one way or the other, however. It cannot in western Canada. I suspect my hon. friend had his speech written on the subject before he came into the House.

• (1630)

The Minister of Transport (Mr. Lang), in response to a question of legitimate concern raised by the hon. member for Halifax (Mr. Stanfield) in his remarks, spelled out that a subsidy will be paid to the milling industry to make sure it will not be harmed. Further, I suggest that the present method of subsidy payment which involves several seemingly unnecessary stops in the movement of the grain from western Canada is not a method the hon. member for Medicine Hat would wish to see continued, since it rules out further possibilities. For instance, I am going to Rosetown on Friday to attend, with many others, the opening of a new inland terminal. I know that this subject will raise political arguments with my hon. friends opposite; but it represents a new, innovative approach, and a different way of doing something. We shall try using the new system and are looking at it. Under the "at and east" rates there is no room for that kind of operation to succeed at any point.

I hope the hon. member for Medicine Hat will review the remarks of the Minister of Transport this afternoon, reconsider his own position and agree with me that in deleting that

particular section of the Railway Act we are not harming the milling industry of eastern Canada or western Canada but are attempting to apply the subsidy in a different way, in a manner which will not rule out other methods of operation.

I suggest that members from western Canada on both sides of the House will support a concept providing for the direct shipment of grain to Saint John and Halifax during the winter months. The Canadian Wheat Board and the railways have such a concept in mind. If that kind of grain movement is viable, surely members on both sides of the House want to encourage the Wheat Board and the railways to bring the trains into operation, hopefully before the year is over. Let us try some innovations and try to get a better return for the subsidies we pay in transport. Hopefully we shall be able to do some new things which will bring better and beneficial results to users at the western end of the system, and shippers, and to receivers at the other end, be they domestic consumers or exporters.

I hope hon. members opposite will support the proposals put forward this afternoon. I am sure the hon. member for Halifax will after he reads *Hansard*, for I am certain the measures we are considering deserve his support.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the introduction of Bill C-19 on second reading gives us a chance to discuss specific recommendations the government has brought forward in this omnibus bill, and a chance to criticize government expenditures.

At the outset of my remarks let me say that the subsidy for flour is not well understood, one reason being the change in the rules whereby consideration of estimates was taken out of this House. I think this bill could have been discussed with greater accuracy and knowledge if the estimates had been considered in this House. As it is they are considered in committee, and the committee is a government organ. Further, in committee one cannot examine adequately all government spending, and it is impossible for the opposition to pin ministers or officials down in a way which was possible in previous years.

Remember, this bill deals with relatively minuscule amounts of money. This is all the more apparent if one remembers that the three levels of government in this country spend over 50 per cent of our Gross National Product. We hear much talk of emotional issues like bilingualism but forget that federal government spending is responsible for a great deal of the divisiveness apparent in the country at present. Government policies have harmed the financial stance of this country and imposed serious strains on confederation. As I say, much of our divisiveness is the result of Ottawa's attempt to impose a uniform level of health, welfare, and education on this country. There has been an attempt at income redistribution, as is evident if one examines the family allowances program. The government felt that in theory every person should be entitled to the same level of social services across the country. The theory has not worked well and has created stresses and strains in Canadian confederation.

[Mr. McIsaac.]

The Prime Minister (Mr. Trudeau), who has just returned from Japan, suggests that we need increased trade; he also suggested that after the government had laid the groundwork it was up to business people to take over. Considering that all levels of government take more than 50 per cent of our Gross National Product in taxes, some of which they try to redistribute, and considering that Crown corporations like Air Canada, Canadian National, provincial hydro commissions, Petro-Canada and others all have a big stake in how this country is run, the emphasis the Prime Minister places on what private enterprise can do is amusing.

It has been said that if any government of a country takes through taxes more than 35 per cent of Gross National Product the free market in that country will not function. We see an example in the United Kingdom where the standard of living has been forced down because of the breakdown of the economy. This in turn will lead to lower productivity which will be reflected in a still lower standard of living for all in that country.

If I may turn to family allowances, I note an article in a recent edition of the *Financial Post* datelined Ottawa which suggests that top people in the Income Tax Department, under the direction of the Minister of Finance (Mr. Macdonald) and the deputy minister, are looking at the federal government's income transfer programs to decide which ones can be removed or transferred to the income tax system. It is hoped that this might curtail the large number of bureaucracies required to administer existing social programs. The idea is that Canadians would become their own bureaucrats, as it were, by virtue of a new set of deductions; and that those earning too little to pay tax would receive a direct payment from the government.

Although the article suggests that all aspects of transfer payments are being considered, it is obvious that the government has narrowed its consideration. For instance, perhaps through the tax system it could provide an oil subsidy for low income people; or money could be provided mainly for family allowances and old age pensions. Perhaps this amendment to the Family Allowances Act is the forerunner of some such provision.

When the white paper on taxation was debated, Ontario suggested tax shelters for poor people but the government of the day was not susceptible to such arguments or did not view them with favour. Theoretically, although such a program might slash several billion dollars from federal government spending, the program would not be without its costs. There might be some saving in reality, but the net costs of the program would still need to be met. The only saving that would come about would be a saving in bureaucracy. What the plan really looks at is whether there would be a form of guaranteed income or tax credit to give the impression that great savings are being made. This runs into problems at the time of elections when governments like to give out goodies in the way of new programs. At the present time the government is under fire for spending too much.

● (1640)

I want to detail some of the problems of a negative income tax or a minimum income such as has been proposed. In my town there was a joint dominion-provincial plan whereby the residents were given a minimum income. After careful analysis of families, the two governments paid a supplementary income to those who were employed in order that they might have an acceptable standard of living. This was an interesting experiment, and it certainly had its problems. According to newspaper reports, the federal government cancelled the program. There was also a pilot project in the north end of Winnipeg. Most pilot projects were cancelled after the government spent a reputed $17 million, according to press reports.

While there are many unfortunate social events flowing out of a minimum income, as I observed it in my community, it is too bad it was terminated before a final decision could be made and the test project analyzed as to the effects of giving a guaranteed income to a controlled group of people. A scientific assessment could have been made of the project.

It is interesting to observe a minimum income project. In the one which I observed there was a definite upgrading of the standard of living for those on low income. As I understand it, in order to qualify you could not be on welfare, but working a good part of the time. Some people left full time jobs for part time employment. Others, faced with the prospect of losing unemployment insurance benefits and a minimum income reduced the amount of their part time work in order to continue enjoying the benefits. Labour was somewhat scarce for unattractive jobs such as pick and shovel jobs, or other jobs people did not want because they were dirty, messy, or at the low end of the work schedule. It allowed people to have a higher standard of living without increasing their production or income.

One of the obvious problems in a rural area in particular was how to deal with the self employed. It seemed difficult. As I understood the official report, it was difficult to assess the income of self employed people. Money could be earned through the sale of produce. Income could be gained by making sales in the names of other members of the family and not reporting this. An enormous amount of administration was required. It is unfortunate that the program was terminated before the scientific results could be ascertained.

The financial outlook for this country, and indeed for the western world, is serious. This was voiced by Mr. Arthur Smith when speaking in Winnipeg last week. He suggested there is more than an even chance for a severe economic slump. The present upturn is weak and we could well slide back to an economic depression. He suggested that Canada would suffer more than most other countries because it is in a generally very weak domestic and international economic position.

Conflicting views of the economic outlook are causing growing uncertainties amongst consumers, businessmen, and government officials. Further, gloom is spreading in the business and financial centres of Europe over the prospect of the world economy to tackle the problems of debt management, sluggish growth, and rising unemployment. Britain and Italy with their problems are little worse off than a whole series of industrialized countries such as France, Denmark, Ireland, Belgium, Australia and New Zealand.

The poor nations of the developing world are in even worse shape with a mountain of $135 billion in debts and no one can see how this can be paid back. It has been suggested that if the debts to the private banks are not forgiven, there could well be a collapse.

I wish to speak for a moment about grain stabilization. This bill seeks a delay on putting money into the fund. It has been stated that 30,000 wheat board permit holders have opted out of the plan. This is because it has not been on a person-to-person basis. It can be said that any farmer likely to retire within five to ten years has little to gain by staying in the plan. That may be wrong, but I say to the parliamentary secretary that this concern has been voiced to me many times. The plan is seen as an over-all plan for communities and the economy at large.

If a farmer is not in a wheat growing area, and if wheat is not the main grain which he is growing, he is faced with the problem of payment for his grains, primarily barley, wheat and flax, which may be quite remunerative, being made on the basis of how the industry fares with regard to how much it grows and what it sells for, if it does sell.

If the plan had been for the individual, and I see no reason why it could not have been, many more people would have been willing to accept it. For those nearing the end of their farming career, the plan provides little way of getting their money out when they retire. This is one of the major difficulties in connection with the plan.

● (1650)

Second, stabilization plans are made in advance on the basis of past experience; when the time comes to use them they are often found to be deficient, circumstances having changed. We find this happening in the case of grain stabilization arrangements. The $25,000 limit applicable to an individual under grain stabilization is not nearly sufficient, and unless it is raised the reaction of many farmers will be less than favourable.

I should like to mention now a development in the selling of grain which is causing considerable comment in the farm community. The grain stabilization program is, of course, vitally concerned. The Wheat Board, in its assessment of selling prospects for the coming year, concluded that the opportunities available to us were pretty slim. In these circumstances the board made special sales to the private grain trade, there being few government-to-government contracts available—the outlook for sales to the Chinese and to the Russians did not seem very promising; perhaps the Chinese, preoccupied with the changes taking place within their political system, are waiting before they buy. In any case it is reported that forward sales covering 165 million bushels were made to private grain traders at a low price of around $3.75 a bushel. But the private grain trade has hedged. The grain is still in the elevators and

on the farms. The traders are betting that the price of grain will rise.

It is significant that the sales are made by Canada on the exchanges in Chicago and Kansas City, taking advantage of facilities in those places which are not available to the Wheat Board in this country. But it is not possible for dealers to hedge without a cost being incurred. The profit will be made by those who took the hedge. Supposedly the Wheat Board sold on the market to preserve the price. However, the action of the board had the effect of lowering the price of wheat on the Chicago market where prices are largely set.

I notice that Mr. Kristjanson, one of the commissioners, suggested that United States traders were too pessimistic with regard to the price likely to be paid for wheat on world markets in the coming year. But, surely the Wheat Board was pessimistic when it sold almost one third of its normal deliveries on the private market, an action which appears to contribute a significant departure from normal Wheat Board practice. The course followed by the Wheat Board is one of great interest. It means that the board is using directly, or more likely indirectly, the facilities of the Chicago and Kansas City grain exchanges. For those who are interested in orderly marketing this process seems to be at odds with the stated aims of the board. I am looking forward to hearing an explanation from the minister in charge of the Wheat Board.

Speaking of the flour subsidy I will say only that the events surrounding it are an illustration of what happens when we try to upgrade resources. According to what some people tell us, the best thing for Canada would be to export our flour in the form of baked goods and sliced bread. But we cannot do that, as we have now found out. We have gradually lost our markets for flour over the years because one of the first things countries do when they become industrialized is set up flour mills and grind their own grain. Some economists, as I have just mentioned, assert that we should export only products which have been upgraded. The lesson with respect to flour is a timely one. I followed with interest what the minister had to say on this subject and, for my own part, I hope we can keep our flour exports at a satisfactory level because, during periods of slow wheat sales, income from sales of flour has been of great benefit to western farmers.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the bill before us outlines various changes to implement the government's restraint program announced some time ago. I want to speak about a number of those changes, two in particular. I want to call attention to what I consider to be a blatant lack of leadership by the Minister of Transport (Mr. Lang) in ensuring restraint in this country and also to another one of his policies, namely, the subsidy referred to by the hon. member for Dauphin (Mr. Ritchie), the "at and east" rates.

We have heard a great deal about restraint in the last few years. There was the anti-inflation program brought down by the Prime Minister (Mr. Trudeau) in his now famous Thanksgiving evening address. There are now to be changes in a whole series of programs, the stopping of indexation in family allowances, the elimination of Information Canada, cuts in the LIP program, the OFY program and the like. We also have a minister of transportation—

Mr. Knowles (Winnipeg North Centre): Minister of Transport.

Mr. Nystrom: We also have a Minister of Transport—and this is very relevant because it deals with the "at and east" rates and it deals with the farm stabilization bill—who is talking about the user-pay concept in the transportation field. He is saying that those who use a transportation vehicle, be it a train, a plane or what have you, should pay for it; they should not be subsidized. He is talking about scaling down the Crow rates which subsidize the movement of western grain. This bill eliminates section 272 of the Railway Act and would eliminate a subsidy called the "at and east" rates, a move which could hurt people in the Atlantic provinces.

All this comes from a minister who is not setting a very good example to the rest of the country, a minister who in the last three years has spent some $742,000 on government aeroplanes, a minister who has cost the taxpayers more than any other minister in the cabinet by flying around on government aeroplanes whether Viscounts or jet aircraft. That type of thing warrants a few words when we are talking about restraint and about a bill introduced by a minister who intends to eliminate programs which affect citizens in my constituency and, indeed, right across the country.

I do not think the minister had to spend so much money in flying around the country. He, like other ministers and party leaders, possesses a first class air pass enabling him to fly anywhere in Canada if he wishes. He has not only flown long distances in government aircraft, he has flown short distances as well. Some people say, and I agree, that on long flights, from here to Vancouver, for example, the minister should perhaps travel in a government plane where he could confer with his aides or study something important in terms of government policy. I do not argue with that but I would think when a minister makes a short flight, such as between here and Montreal or Toronto, there is no reason in the world, provided commercial flights are available—and there are many between here and Toronto and Montreal—that any minister should have to fly there on a government Jetstar.

• (1700)

I wish to take a few minutes to place on the record these figures which I think are scandalous. I have here a return to the questions asked by the hon. member for Leeds (Mr. Cossitt), who I think did the country a great favour in placing these questions on the order paper. There was a flight made on May 26, 1976, from Ottawa to Montreal on a Jetstar. This flight to Montreal and back cost $1,212. I heard the minister talking about buses and people travelling on buses. If he is going to advise the ordinary citizen to travel on buses why does he not do some of that himself between here and Montreal? Then on July 21, 1976, the minister went from here to St. Catharines on a Jetstar at a cost of $1,853. The next is

September in the same year when the minister flew from here to Toronto on a Jetstar at a cost of $1,940.

Mr. Baker (Grenville-Carleton): That is cash, not Chargex.

Mr. Nystrom: As the hon. member says, that is cash and not Chargex, and this minister has a pass on Air Canada. You no sooner get in the air and have a drink and a sandwich before you land in Toronto or Montreal. There is no reason why the minister would need a private executive jet to make that flight, especially when he talks about restraint. This minister shows the least restraint of any Canadian. I think that is totally repugnant.

There is another flight from here all the way to Montreal on a Viscount on August 1, 1975, at a cost of $1,235. Then there is another flight on November 10, 1975, between Ottawa and Montreal and Toronto at a cost of $2,745. Yet there are dozens of flights back and forth between these two cities, as well as plenty of trains and buses. We then have January 14, 1976. This time it is a flight from Ottawa to Montreal on a Viscount at a cost of $1,235.

Then we have the super flight which took place on February 25, 1976. I am sure all hon. members will be interested in this one. This is a flight from Ottawa to Toronto on a Viscount at a cost of $8,027. This is a flight to Toronto and back by the Minister of Transport when there are many commercial flights going to Toronto and when he could have saved the taxpayers several thousands of dollars on a 50-minute flight. I think that is totally scandalous and something every Canadian should be ashamed of in respect of a minister of the Crown who is supposed to be a leader in the country.

There then is another flight on March 24, 1976, from Ottawa to Toronto in a Viscount at a cost of $1,958. There is another on April 23, 1974, again from Ottawa to Toronto costing $2,105. Again on August 28, 1974, there is another flight to Toronto on a Viscount at a cost of $2,175. On November 22, 1974, there is a flight from Ottawa to Toronto on a Viscount at a cost of $2,105, and another on December 10, 1974, Ottawa-Montreal, again a ridiculously short haul, at a cost to the taxpayers of $1,375. On December 27, 1974, a flight is listed from Ottawa to Toronto at a cost of $1,810, and another on January 31, 1975 Ottawa-Toronto, at a cost of $1,620. Again on January 16, 1975, we have Ottawa-Toronto at a cost of $1,957.

These are actual expenditures as tabled in the House by the departmental people in the Department of Transport in answer to the question put by the hon. member for Leeds. Here is a minister who is telling us that the users should pay the cost of transportation, and who is saying to the farmers that the Crowsnest rates which are important to western farmers probably have to go, and who says in this bill that the "at and east" rates have to go in terms of shipments of flour and wheat from central and western Canada to the Atlantic provinces. I do not think that is good enough for a minister of the Crown. I think this minister is being very hypocritical and dishonest with the people of this country.

Not only do we have these short flights which, as I said, the minister could have done on a commercial jet, taking his aides along with him and saving thousands of dollars, but we also have several flights taken by this minister which have cost the country over $10,000. First of all, on March 13, 1976, there is a flight from Ottawa to Toronto and Vancouver on a Jetstar at a cost of $11,233. We have another on July 15, 1976, from Ottawa to Saskatoon to Edmonton to Saskatoon on a Viscount at a cost of $12,180. The minister flopped around from Saskatoon to Edmonton and back to Saskatoon. One is only up in the air long enough to have a sandwich and a drink from the time one leaves Saskatoon until one lands in Edmonton, and the same thing going back. Yet the minister spent $12,180 of the taxpayer's money when he had a pass on Air Canada and could have taken his aides with him on a commercial flight and saved thousands of dollars for the people of this country. That is bad enough, but it becomes worse when this minister preaches restraint and suggests to the farmers that the user should pay the total cost of the transportation bill.

I could go on and on listing the flights the minister has taken at public expense. We have one on August 24, 1975, when the minister flew from Saskatoon to Quebec City on a Jetstar at a cost of $13,900. As I said at the beginning, it has cost about three quarters of a million dollars in the last three years to fly this minister across the country. He is the most extravagant minister in the House of Commons. There are many ministers across the way who are very frugal in respect of the use of government aircraft. I have seen many ministers travel on Air Canada.

Mr. Orlikow: The former minister of national defence always flew on a regular aircraft.

Mr. Nystrom: Yes. Other ministers often fly on regular aircraft. This minister thinks that his time is valuable. Perhaps it is valuable. I would agree with that, but I do not think the taxpayers should shell out a quarter of a million dollars a year for the minister's time even if it is valuable. I do not think he should spend $7,000 on a weekend in Saskatoon when he could use his pass to travel on Air Canada. If the government wishes the people of Canada to take it seriously, surely it should start showing some leadership.

The members of the government should set an example in the way they conduct themselves and their own affairs. I realize that most ministers across the House conduct themselves in this way.

Mr. Baker (Grenville-Carleton): In their private lives certainly they are very frugal.

Mr. Nystrom: Yes, and I think most of them in their public affairs are very frugal. I know the Minister of National Health and Welfare (Mr. Lalonde), after going on a Seagram's plane, learned a lesson. I understand that now he mostly flies on commercial flights.

● (1710)

I wish the Minister of Transport would learn from some of his colleagues how to conduct himself. I want to point out that not only could he have flown to Saskatoon by air and brought a few aides with him and saved several thousands of dollars a trip, but for a $7,000 bill for travelling between Ottawa and Saskatoon and back you could go 75 times by passenger train from Ottawa to Saskatoon and back.

Mr. MacFarlane: How many times have you gone by train?

Mr. Nystrom: I often travel by train. I am just drawing an analogy.

Mr. MacFarlane: Nobody goes by train these distances since Stanley went 100 years ago.

Mr. Nystrom: I would like to ask whether any member in this House can justify the Minister of Transport on any other minister going by Jetstar from here to Montreal and return. If any member can justify that, I invite him to rise and speak now. The Minister of Transport has done that time and time again. You could almost run to Montreal, and the hon. member for Hamilton Mountain (Mr. MacFarlane) could do so in a couple of hours, or you could travel by bus in two hours, and certainly you could run in two or three hours.

Here is this guy who talks about restraint and who says to my farmers that the Crowsnest rates will probably have to go, and who tells them that the user should pay the total cost of transportation, setting the most extravagant example of any minister. I say to hon. members that Jimmy Carter, the president-elect of the U.S., had the chance to take a government aircraft to his vacation spot a few weeks ago, but he said that was not proper and he was going to pay his own way when on vacation because he was not going on official government business. If that is the practice in the United States, why cannot the ministers in this government set that type of example to our people? It is beyond me why they cannot.

Perhaps I could make one more point on that subject. Some of the trips that the Minister of Transport has made are not, in my humble opinion, on government business. Last weekend he addressed a meeting of young Liberals in Saskatchewan. I understand that that type of thing has happened in the past. When he addresses a partisan political meeting of either young or old Liberals, that proportion of the flight should be paid by the minister or by the Liberal Party of Canada. If he has four meetings and one is with Liberals, the party should pay for one quarter of the cost. That would be fair.

The other point I wanted to make is that under this bill there will be a repeal of "at and east" rates. This is the rate that deals with shipment by rail of grain and flour from the Georgian Bay elevators and other elevators in Ontario to the city of Halifax and the city of Saint John in New Brunswick. The movement involves about 30 million bushels of western grain per year at a cost, in the form of a subsidy, of about $11 million to the federal government. This works out to a subsidy of about 33 cents per bushel of wheat.

[Mr. Nystrom.]

There are many effects this may have on both the prairie economy and the economy in the Atlantic provinces. First of all, the Canadian Wheat Board, because of the lack of a subsidy, may halt all rail shipments from inland ports to Atlantic ports during the winter months, and they will do it because of the straight economics of moving that grain.

Second, a loss of business and employment in the elevators in Halifax and Saint John will result. We all know that the Atlantic provinces have a high rate of unemployment. The Halifax elevator is owned by the government, but CPR which owns the Saint John elevator is expected to close it down.

Finally, elevators at Georgian Bay will be put out of business since the storage and forwarding of western grain is their major source of income. It will also create additional difficulties for the Canadian Wheat Board in meeting export targets.

While the federal government people say that the Canadian Wheat Board will off-set the discontinuation of shipments in the winter months through Atlantic ports by increased shipments through Vancouver, it is obvious that in years of high volume exports the west coast ports area is already strained to capacity. Second, it does not seem reasonable to ship western grains destined for Europe through Vancouver. It would seem therefore that from now on shipments of grain to Europe will be interrupted for three months or more each year.

For reasons such as these, reasons which I think will cause difficulties to the prairie farmers and the prairie economy, and which will cause unemployment in areas where these elevators are located, particularly in Halifax and Saint John, I hope the government will reconsider the provision in the bill which deals with "at and east" rates.

In conclusion I want to say that a number of other members in my caucus have talked about other aspects of the bill before me, or will be doing so in the days to come. But I want to say that if the government seriously expects the Canadian people to support the anti-inflation program, it must start showing leadership in the House. The Minister of Transport himself must start acting like an adult, not like a little child with a toy. He has to show some leadership in the House. If that is done, then perhaps more Canadians will have confidence in the government and will not be as cynical about the political system that we have in our country. It is the type of example set by the Minister of Transport that makes people really cynical about the federal government and federal institutions. This country is too important to me and to all of us in the House for us to allow it to fall apart for reasons such as I have stated today, for lack of leadership and lack of a good example.

There are many other things that could be referred to and about which other hon. members in my party will be talking. One of them is the unemployment rate which is very high. This means that there should be more stimulation in the economy and that the government should show leadership in that direction, which it is not doing.

My time is running out, Mr. Speaker, so I will take my seat and listen to the speeches of other hon. members in the hope

that the Minister of Transport will perhaps rise and apologize to the House for his conduct, and perhaps one of the members opposite will take up my challenge and speak up on whether or not he thinks the minister should be using a private government jet to fly from here to Montreal and back.

Hon. Martin O'Connell (Scarborough East): Mr. Speaker, I want to enter this debate to support this bill which seeks authority for the government in specific ways to restrain its own expenditure program and to reduce it in certain items. I do not propose to debate the relative merits of this or that item which is being restrained, nor the over-all size of the restraint program so far as it is expressed in government expenditures.

There is no doubt that the restraint and reductions by this government are important elements in the battle against inflation and in giving the private sector confidence that the total program is going to work, because government expenditures are one of the main elements that have to be brought under control in order to rebuild that confidence.

There is no doubt that the restraint in government spending is taking hold and I would like to give the House some evidence of that. First, there is the $1.5 billion of expenditures less than had been planned. Second, there is the holding of hirings in the federal civil service to levels well below the growth of total employment in our economy, levels of 1.5 per cent increase in this fiscal year and 1 per cent increase in the next fiscal year. These are evidences of a serious intent to reduce the size of the claims of this government on the economy.

● (1720)

Again, the total expenditures of this government in the current fiscal year are estimated to grow by 13 per cent. That is at the same rate as the general economy. That is a significant reduction over previous recent periods, and the total expenditures in our next fiscal period are scheduled to grow at an 11 per cent increase. That also will be at or, indeed, below the increase in the general economy. I cite these as evidences of the serious intent to get the government's share of the economy under control and to hold it under control.

The main points I want to make this evening are that these measures will not be sufficient in themselves to rebuild long-term confidence that the total size of the public sector, as reflected in government spending, will, over the long term, be contained and grow at no greater rates than the economy. To put it another way, confidence requires that the size of the government's claim on the economy will be of no greater proportion than the increase in the total economy; that is, it will have to come out of increased productivity. Why is there not that confidence today? If I can give a few figures, I think it will be somewhat clearer. What is the record of the past ten years? I want to cite only a few figures.

If we go back ten years to fiscal year 1965-66 we find that the total outlays of the federal government were $9.4 billion. Seven years later, in fiscal year 1972-73, they were $20 billion, and three years later, in the fiscal year just ended, they were $37.3 billion. In the fiscal year in which we now find ourselves they are expected to be over $42 billion. There is here a 10-year growth from $9.4 billion to $42 billion.

How do we cope with these kinds of magnitudes? Let us relate these figures to the total economy. Let us consider the government's expenditures as a percentage of the gross national economy. Ten years ago, in the years I have quoted, the federal government was spending 17 per cent of total expenditures. That rose to 19.1 per cent three years ago and to 23.1 per cent in the previous fiscal year. Through this restraint program it is stabilizing at 23 per cent. However, over the 10-year period the proportion of the Gross National Product spent or taken by this government rose from 17 per cent to 23 per cent. That in itself is one of the factors behind the unwillingness to have confidence in the government, even though it has entered, in a short-term sense, into a restraint program.

The actual increases I have mentioned are readily accounted for. They do not come about just by slippage or lack of efficiency; they do not come about by lack of design; they are the result of deliberate policy choices that we in parliament made and which we on this side of the House supported. So the question is not simply one of not being able to manage. It is a question of deliberately letting the state, for certain policy reasons, take a larger share of the economy.

What were the basic elements in the increase? In the seven years from 1965 to 1972 the government's share grew by 2 percentage points of the national economy. That increase can be accounted for totally by the following three programs: hospitals and medicare, which grew by 0.9 per cent of the economy; old age security and guaranteed income supplement, where we did make the choice that we should increase pensions and index them to the cost of living, and that accounts for 0.7 percentage points of the 2.1 per cent increase; and the third major factor is the equalization payments to the provinces which increased by 0.5 per cent of the total 2.1 per cent increase.

Hospitals and medicare, pensions, and equalization payments to the provinces, which in turn go to the people, are the three programs which account for the growing size of this government's expenditures in that 7-year period. All those increases were payments to people, and not many of us would say that we should not have made them.

In the next three years, the three years which come down to the year which has just ended as a fiscal year, the growth in government spending was four percentage points, a much greater rate of increase than the 2.1 per cent increase in the previous seven years. The major share of this increase was taken by programs which are readily accountable for. We all know how oil transfer payments worked. The export tax on exports to the United States was levied. It flowed through this government's treasury and was paid out to equalize the price of imported oil into the eastern part of Canada, but it reflects a rate of increase in our expenditures. Family allowances accounted for another half of one per cent, and we know that those family allowances trebled in the 10-year period from

$600 million to $1.9 billion. We trebled those family allowances as a policy initiative, of which we are all very proud, and we indexed them to the cost of living.

Revenue guarantees to the provinces account for another major share of the increase, and the unemployment insurance program accounts for 0.5 percentage points of the total of four percentage points. Agricultural programs, the investments we had to make in energy exploration through Petro-Canada and other means, and the investments we are making in better housing for Canadians are all legitimate areas of concern, and they are readily accounted for.

I wanted to say these things because the matters I want to put before the House now are not related to the temporary or passing phases of stabilization effected by moving government expenditures up and down but are related more to the longer term assurances—and ways of giving credibility to those assurances—that this thing is not going to keep growing and growing and growing as a bigger part of the economy without cease, the assurances that even if we are now restraining, the general movement is not going to reassert itself. I want to mention three or four ways in which I think we could usefully address ourselves to that problem.

First, I will remind hon. members, if they will allow me, that on October 14 in this House I argued that we in parliament do not effectively control the growth of government spending.

Mr. Baker (Grenville-Carleton): Right on, Martin.

Mr. O'Connell: We should not delude ourselves that in those standing committees where we consider estimates we are really controlling government spending. I have made proposals, and I know there is support on the other side of the House. The hon. member for Grenville-Carleton (Mr. Baker) has made some very interesting proposals with regard to how we might do a better job in this House. I remind the House that I suggested a 5-year expenditure forecast, that is, looking ahead, and a related five years review of the past so we can have an overview of what is happening over a 10-year stretch. Then we can consider whether we think it is moving ahead too quickly. I suggest a single committee to carry out surveillance over government spending rather than fragmenting our view of it in the 20 or more standing committees that now consider it. I will not dwell any longer on that role which I think parliament itself should be performing better.

● (1730)

Let me turn now to collective bargaining. The general advice that has been given to government by economists over the past generation, stemming from the economic theories of Lord Keynes, has been that government can act as the balance wheel in the economy; that it can move its expenditures up, then move them down, and by so doing can level out the fluctuations in the economy that have pervasive social and economic results. That theory has grave limitations. It is relatively easy to increase spending but very difficult to decrease it. There comes to exist a built-in growth factor and the level of increase continues. There is a built-in bias.

[Mr. O'Connell.]

I think Lord Keynes and we ourselves neglect the role that collective bargaining, as we practise it, plays in leading the economy into inflation and therefore requiring this kind of reactive and unstable government activity which I think is wrong. It is as if the adversary system of collective bargaining operates outside the economy; as if it takes place on the margins and from time to time gets out of hand.

I want to consider one aspect of collective bargaining that is under our control, and that is public service collective bargaining. Seven or eight years ago we imported into public service bargaining the adversary conflict system that is practised in the private sector. I do not think that system belongs in public service bargaining. One reason is that the government is not an employer like any other. Governments cannot be put out of business. If they are pressed for higher salaries or better conditions and grant them they are not going out of business because they simply turn to the tax system to regain the revenues. They are not in the market where there are constraints that bring discipline to bear on collective bargaining, as is the case in the private sector. The services supplied are often monopoly or essential services and, when disrupted, there is grave injury to the third party, the public, in a sense that does not apply to the private sector.

The rate of increase in public service collective bargaining settlements has been such that recently they have been leading the private sector bargaining to ever higher levels. We must find some way of containing those elements in the inflationary spiral and not rely exclusively on fiscal and monetary techniques or raising and lowering government expenditures.

I should like to propose that we consider an alternative system to the adversary system; a system known as fair comparison with jointly selective outside analogues—that is, employees working in comparable employment in the private sector. I will not describe this in detail, but the principle is socially just and more economically sound than the adversary system now practised which we deliberately brought into the public service. Under the fair comparison principle, public service unions and the government jointly would agree that the compensation for public employees is not what they fight each other for or the maximum they can get, but they agree that what they are seeking is a fair comparison with what employees with similar responsibilities are getting from good employers in the private sector. A pay research bureau would make the comparison.

The system is socially just because our employees would be receiving what good employers are paying, no more and no less. If we pay them more—and we are likely to do that at present because we are not restrained by the market and when there is a disruption in service we are under very severe political pressure to concede—if we pay them more we are in effect taxing employees in comparable positions in the private sector. That means the public sector would lead the private sector to higher and higher levels of compensation, with adverse implications for our international competitive situation. I think I need say no more about the difficulties involved.

All I want to suggest as an anti-inflation measure which is socially just and economically sound, is that we move to fair comparison as a basis for collective bargaining in the public service.

Then what about the private sector? I do not want to talk about collective bargaining in the private sector in the same way, but I want to suggest that we will be intermittently in and out of controls and in and out of government expenditures if we do not use this year of the controls program to build the consultative institutions that will help us with consensus policies for the future and therefore prevent future blowouts in the economy.

The Minister of Labour (Mr. Munro) made some suggestions about consultative institutions and I think his are the very minimal proposals. I do not know if they have enough structure in the institutional sense to give credibility to the consultative process which he is proposing. I am going to take a few minutes to suggest that we need consultative mechanisms with more institutional structure to them than the minister has suggested, but since my time is expiring I shall just run through them rapidly.

What we require is social and economic consultative council in which business, labour, consumers, agriculture, the scientific and other communities are included, but not the government because the government is going to consult that body. These are the main elements in the economy that should be brought face to face with the facts. But where do they get those facts? Before going on to that, Mr. Speaker, I should say that by law the government should be required to consult such a body and to lay before us in this House the results of that consultation. All these lines should lead back to parliament and not just represent some powerful, organized bodies that are carving up the pie, so to speak.

I suggest that we amend or change the structure and role of the Economic Council of Canada; that in future it be an agency of forecasting and of analysis of the economy; that it include government representation and, by invitation, include provincial government appointees. Looking at the economy as it is performing, considering the policies that are in place, and looking at the potential of the economy, this body would provide data and advice to the consultative council but not necessarily to the government. The Economic Council of Canada now advises government and I am suggesting that we alter its position, increase its role, and make it an adviser to the consultative council by providing it with the basic data. It would become a workshop and provide data at which all parties could look.

● (1740)

Third, to return to my basic theme, the public sector is not sufficiently co-ordinated to play its role in a consultative process. Similarly we, in parliament, are not equipped to control government spending; nor are governments able jointly to play their role effectively in the Canadian economy. I say that because of this. We, in this parliament, could adopt one course, the provinces could adopt a contrary course, and each side could frustrate the programs and policies of the other. Meetings of finance ministers are not enough; the ad hoc meetings of other ministers are not enough. Therefore if we are to make the consultative process credible and enter into dialogue with business, labour, consumers and others, we need to obtain a consensus and then undertake commitments.

Mr. Speaker, we in the public sector are not in a position to fulfil our commitments because we do not have all the levers of government at our disposal. Some of them are dispersed among our provinces. I therefore propose the setting up of a federal-provincial stabilization and growth committee whose members would be senior economic ministers. They would consult among themselves, be the main elements representing government in its dealings with the consultative council, undertake commitments, and seek to co-ordinate the responses of the public sector with those commitments made in the consultative process. Only if we establish some such structure will consultation bring substantive effects.

Hon. members may ask, why consultation? I suggest that unless we adopt that kind of approach we shall see collective bargaining driving the economy in various directions, with prices mainly going up; we shall see the government over-utilizing fiscal and monetary policies to cope with that situation; and we shall see government expenditures moving upward and downward. We know that if the economy sags we push expenditures up for economic and social reasons. Once expenditures have risen it is hard to bring them back down. That game is becoming obsolete. If we are to correct it we must adopt the refinement and stabilizing effect of a credible consultative process. At present, any such proposed processes lack structure. I am merely suggesting a few ways in which we can be helpful.

Let me add that I am not discussing tripartism. I am discussing only consultative and not decision-making arrangements. I suggest, however, that there is a place for tripartism in the administration of some of our programs and agencies. For example, the Unemployment Insurance Commission might well be administered by government, business and labour; the same applies to Central Mortgage and Housing Corporation. I could name other programs and agencies with respect to which this could be done.

The question is, why do it? By participating in the implementation of such programs all parties concerned would come to have confidence in themselves. After all, they would be administering that which parliament has already enacted and with respect to which guidelines exist. They would not be making fundamental decisions. By working together the parties would come to know each other and understand the need for restraint.

Again, I suggest that the proposal of the Minister of Labour for more collaboration in the work place is sound. I refer to such things as works councils, co-determination, the making of decisions jointly by labour and management, and sharing in managements' decisions at certain levels. Why is all this important? It would involve the grass roots, where the parties can enter into relationships other than adversary relationships.

At the grass roots all the parties concerned may collaborate for greater productivity. That is where the labour side of the equation takes an interest in the success of an enterprise and where the management side gains some understanding of the concerns of labour. As I say, this would happen at the grass roots level where both sides would learn to place confidence in the consultative process and allow central bodies representing them in the major consultative council to negotiate on their behalf.

I am suggesting ways in which consultative institutions and mechanisms could be developed, to give future economic activity greater stability and help to avoid the kinds of destabilizing activities in which we are currently engaged.

My final point is this. The public sector has grown to its present size because in some cases the private sector has not been able to perform certain functions. The greatest challenge we face is giving scope, stability, confidence, and strength to the private sector. Only if that sector grows, prospers, provides jobs and incomes, will we be able to restrain the growth in the public sector. Therefore our policies must encourage productivity. Consultative institutions are the best path we know to increased productivity. They mitigate adversary relationships. They arouse interest in both parties in productivity; they are our means of escaping from an ever-growing public sector.

We cannot afford the notion of slow growth in Canada. Slow growth will mean increasing public sector involvement, something we must face. We need high, sustainable growth if we are to restrain our own roles. We should reject slow growth. I would only add that we are on the wrong tack—I was going to say pursuing the wrong trade policies, but I will not put it so bluntly. We will need to reexamine our economic policies and focus attention on the private sector, because only if the private sector prospers will we restrain our own role.

In my view the greatest source of economic growth in Canada lies in the west. I am not unsympathetic to those across the aisle who complain about specific items in this restraint program. To me they reflect a basic difficulty in the government's perception of economic opportunities in western Canada. In the processing of commodities for example we see value added. There is an interface between transport and processing. For instance, why do we ship oil seeds to Japan? We shipped 15 million bushels and the Japanese processed the oil seeds and made end products. Are we subsidizing Japanese employment? We ship seed to Japan because it is cheaper to send seed than to send the oil. And in this regard one can discern the interface between raw materials, processing and transportation.

Transportation is the key to unlocking economic development in the west and raising "value added." The same may be said for livestock which is turned into meat, grain which becomes flour, and other commodities. We can consider an entire range of economic policies which would be good for Ontario and good for all Canada. Such policies would increase the size of our internal market and trade between our regions and so fulfil the aims of policies designed 100 years ago when our transportation system was established.

• (1750)

However, the destiny that was allowed to western Canada was a resource destiny. That is passé. All the frustration in the west is not psychological. The frustration is transportation and certain trade and tariff policies which do not permit the western economy to rise from the resource destiny to the secondary manufacturing and technological industries that are available today. That is where the private sector could find its greatest expansion. That is where our economic policies should be focused.

I conclude as I began by saying that the temporary measures that came about for stabilization reasons will not rebuild confidence in the long term that the public sector is being restrained. We need longer term measures. I have suggested a few.

Mr. McRae: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. O'Connell: Certainly, Mr. Speaker.

Mr. McRae: It has to do with a debate he and I have had for some time. In his desire for greater growth does he foresee great difficulties because of energy shortages and the cost of energy, making necessary a different kind of growth, a slower growth?

Mr. O'Connell: Mr. Speaker, that is a good question. The answer is not all that difficult. I am suggesting that we can have high sustained growth by shipping less oil and more petrochemicals. That would not use up our energy resources any faster than at the present time. In fact it may be a slower use.

What we need is the highest values. That is where the growth is. I am suggesting, for example, the growth would come out of processing oil seeds. A bushel of rapeseed is worth $5 shipped out as rapeseed. It is probably worth $30 shipped out as oil. That is growth, from $5 to $30. What have we expended in energy? Some, yes, but we have gained a lot in terms of income and we can redistribute some of that income.

At the rate we are going, we hear people say let us accept slower growth. I agree you have to protect the environment. To do so contributes to growth. That is an industry in itself. It will come back to us in revenue if we do it. We have to respect the ecology and conserve resources. I say we move them to higher values. That is all I am saying. That is growth. The Gross National Product would rise very rapidly if instead of $5 being added by a bushel, $30 were added by oil. That is growth. That is what we are looking for.

Mr. Fairweather: Mr. Speaker, possibly my colleagues will agree that we have just had a very thoughtful speech. It is now four minutes to six and I would prefer not to break the train of

my carefully prepared notes. Therefore I would like to call it six o'clock.

Mr. Deputy Speaker: Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

Restraint of Government Expenditures

Mr. Deputy Speaker: It being six o'clock, this House stands adjourned until Monday, November 15, at two o'clock, p.m., pursuant to order made Thursday, November 4, 1976.

At 6 p.m. the House adjourned, without question put, until Monday, November 15, at 2 p.m., pursuant to Special Order.

HOUSE OF COMMONS

•Monday, November 15, 1976

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS

PROPOSED DENIAL OF RATE INCREASE TO BELL CANADA UNTIL BETTER SERVICE PROVIDED TO NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, under the provisions of Standing Order 43 I wish to move a motion on a matter of urgent and pressing necessity. The continual deterioration of telephone communication to the province of Newfoundland indicates a lack of responsibility by Bell Telephone with regard to serving all citizens of Canada on an equal basis. I therefore move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House orders that the recent increase announced by Bell Telephone be denied until it can prove that it can provide reasonable and adequate service in line with its responsibility to all Canadians.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can only be presented with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN DAIRY COMMISSION

REQUEST FOR PUBLIC INQUIRY INTO OPERATIONS—MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I, too, rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The matter concerns the firing of the chairman and vice chairman of the Canadian Dairy Commission and the subsequent appointment of the executive assistant to the Minister of Agriculture to fill the position of chairman of that commission. This is an act of blatant political patronage, and I move, seconded by the hon. member for Dauphin (Mr. Ritchie):

That, because of the actions of the Minister of Agriculture, this House approve unanimously a motion calling for a full public inquiry into the operations of the Canadian Dairy Commission.

Mr. Speaker: Such a motion can be presented, pursuant to Standing Order 43, only with the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

SUPPLEMENTARY RETIREMENT BENEFITS ACT

PROPOSED AMENDMENT TO PERMIT INDEXING OF PENSIONS OF MEMBERS OF ARMED FORCES AND MOUNTED POLICE—MOTION UNDER S.O. 43

Mr. G. H. Whittaker (Okanagan Boundary): Mr. Speaker, I rise under the provisions of Standing Order 43 to raise a question of urgent and pressing necessity before this House. It is the question of whether some members of our Canadian forces and members of the RCMP should be further discriminated against and treated as second class citizens because of the subsequent amendments to the Supplementary Retirement Benefits Act in 1973 which provide the accumulated cost of living increases on a qualification date when a minimum age of 55 plus—

Mr. Speaker: Order, please. If the hon. member has a motion pursuant to Standing Order 43, will he put it forthwith.

Mr. Whittaker: I therefore move, seconded by the hon. member for Red Deer (Mr. Towers):

That this House urge the government to consider amending the Supplementary Retirement Benefits Act to provide for the reduction of the magic 85 formula to 70 and the indexing of the new formula to the cost of living.

Mr. Speaker: Such a motion, pursuant to Standing Order 43, can be presented to the House only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

STATISTICS CANADA

REQUEST FOR REPORT ON OPERATIONS AND POLICIES—REASON FOR SEARCH OF PUBLIC ARCHIVES BY CHIEF STATISTICIAN

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is to the Minister of Industry, Trade and Commerce. In view of strong and continuing indications that the general situation at Statistics Canada is much more serious than the minister was first aware or willing to concede, as evidenced by complaints about data interpretations relating to the measurement of the gross national product, complaints from metropolitan Toronto officials about census procedures and so on, I want to ask the minister when he is going to or if he intends to come out of his defensive position and provide more positive and factual information about the operations and policies of Statistics Canada, before the credibility of calculations such as those upon which the cost of living allowances in labour agreements come into question and other areas of Statistics Canada purview such as the dairy industry statistics are discredited.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I feel there is no point in changing my position, as I am expected to go shortly before a House committee to account for the supplementary estimates of my department and, at that time, if the hon. member wishes to ask me questions in all those areas, I shall be happy to answer them.

This morning I had a long talk with Statistics Canada, chief statistician Dr. Kirkham who told me he would be very pleased to reply to all questions hon. members of this House may put to him, because he is as concerned as I am over the image projected by Statistics Canada. However, I do not think it is very helpful at this moment to go and rummage through files which were reviewed four years ago by the RCMP whom I trust absolutely and who concluded that there may have been a conflict of interest but there was no criminal act. Under the circumstances, I do not see any point in continuing that way but Dr. Kirkham and myself shall be glad to appear before a House committee at the first opportunity.

● (1410)

[*English*]

Mr. MacKay: Mr. Speaker, as usual I thank the minister for his courteous reply but to put it on a current basis and not go back four years, may I ask why a search has been ordered recently in the public archives by the chief statistician? Would the minister care to indicate why this was done?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I have asked the chief statistician of Canada to take all necessary steps to advise me of all incidents which may have occurred within his organization. He must of course carry out a full investigation, and I have asked him to go as far as possible to prevent any likelihood of his organization breaking up through innuendos. I think that, under these circumstances, Dr. Kirkham has acted with utmost diligence and he has taken all necessary steps to advise us of all the conflicts of interest he might find. I can only thank him for that.

As to the report on National Product Figures, I should like, with leave of the House, to table a statement providing the technical explanations requested by the hon. member for Vegreville (Mr. Mazankowski), and as it is fairly long, I seek the consent of the House to table this report which was provided by Dr. Kirkham, explaining the problems and the remedies he intends to propose.

[*English*]

Mr. Speaker: Is it agreed the minister shall have leave to table the documents referred to?

Some hon. Members: Agreed.

PRESERVATION OF DOCUMENTS RELATING TO ALAN JEFFERY ASSOCIATES

Mr. Elmer M. MacKay (Central Nova): A final supplementary, Mr. Speaker. Could the minister indicate whether all the internal memoranda related to Alan Jeffery Associates such as those documents between Messrs. Snyder, Andrews, Berlinguette and Dr. Ostry as well as communications to Statistics Canada security and legal officers are being safeguarded and will be available to any sort of impartial inquiry such as the minister agreed to earlier, should he decide to proceed and need those documents?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I have a few documents here and I hope to be authorized by those people involved to table them in the House. Of course there are some traditions to be respected in that area as in the case of RCMP reports, for example. Those reports cannot be submitted to the House. Concerning the internal organization of Statistics Canada, Dr. Ostry and Dr. Kirkham have authorized me to table them. I have a few other permissions to obtain from people involved and it will be a pleasure to table these documents in the House in as much as the Official Secrets Act is not contravened in any way given the present circumstances.

* * *

[*English*]

ENERGY

MACKENZIE VALLEY PIPELINE—POSSIBILITY OF FINANCIAL GUARANTEES BY GOVERNMENT TO CONSTRUCTING COMPANY

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources having to do with statements made by Canadian Arctic Gas Pipeline Ltd. to the effect that one year

ago they made formal representations to the cabinet with respect to financial guarantees for the proposed Mackenzie Valley pipeline. In view of the fact that the treasurer of that company, Mr. William Stewart has said before the National Energy Board hearings that such guarantees would be absolutely essential before the company could proceed with its financial arrangements, may I ask the minister this simple question: Have any guarantees been given or does the government intend to give such guarantees and if so, what is the nature of those guarantees?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I think I should correct part of the preamble to the hon. member's question when he said formal representations were made to the federal government by Canadian Arctic Gas Pipeline Ltd. About a year ago they did provide to the interested department an assessment of the situation. This assessment would require guarantees on the part of the government but at that time no request was made to the government for such guarantees, nor have any guarantees been given. On the second part of the question as to whether guarantees would be given in the future, that of course will have to await the outcome of the hearing.

Mr. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question, Mr. Speaker. According to the treasurer of the company guarantees were implied in the financial proposals placed before the National Energy Board and according to one member of the board, "to some extent the application of the company is hypothetical." May I ask the minister if it is not necessary either to decide now with respect to these guarantees or suggest to Canadian Arctic Gas Pipeline Limited that they should withdraw their application since, if the National Energy Board should decide to give approval to this company, the Canadian government may find itself in this position: That approval has been given to a company on the assumption that guarantees will be forthcoming and both the government and the Canadian parliament may find themselves in an awkward predicament?

Mr. Gillespie: Mr. Speaker, it would be premature at this time to speculate on whether guarantees should be given. I am cognizant that this particular applicant has also conveyed to the administration in Washington the view that, if that happened to be the particular gas line chosen or approved, similar guarantees would be required from the United States government. It is clear that the United States process has by no means run its course yet; nor has ours. Therefore, I think a further statement on my part at this time would be premature.

MACKENZIE VALLEY PIPELINE—REQUEST FOR DEBATE PRIOR TO APPROVAL OF CONSTRUCTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask a final supplementary question? In view of the uncertainty with respect to guarantees both by Canadian and the United States governments and since a member of the National Energy Board said the other day that no firm gas supply contracts have yet been entered into, will the minister assure the House that if the National Energy Board makes an affirmative recommendation with respect to building the Mackenzie Valley pipeline, no action for proceeding with the pipeline will be taken until the matter has been placed before parliament either in the form of a resolution or in the form of legislation, so that we will not debate a *fait accompli* in this House with respect to a matter so important as the Mackenzie Valley pipeline?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, my predecessor made it clear that he would welcome, as I would, a thorough examination of the whole issue. Indeed, I believe the standing committee has made it its business, and the hon. member is a member of that standing committee, over the past year to bring before it from time to time various spokesmen for the various applicants. I hope the standing committee will decide to do the same thing during the course of the ensuing months so that it will be in a better position to assess recommendations, when those recommendations are provided to the government.

On the question of whether there should be a particular debate in the House or whether the discussions should take place in committee, I think we will need to consider that matter further.

* * *

[*Translation*]

WHARVES

POSSIBLE TRANSFERENCE OF JURISDICTION TO QUEBEC—GOVERNMENT ACTION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of Transport.

During the last session, through you, Mr. Speaker, I asked the minister on several occasions to give us a progress report on negotiations with the Quebec government on the transfer, from the Quebec government to the government in Ottawa, of the jurisdiction over a number of wharves. On those occasions, the minister replied that he would inform the House of the results of negotiations which were making good progress. Is the minister in a position today to tell the House whether negotiations have been completed and what their results were?

[*English*]

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would ask the hon. member to give me more specific information about the items he has in mind and I can try to give him the specific information.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, to be more specific, I am thinking here of the transfer of jurisdiction of the wharf at Montmagny and other wharves located along the St. Lawrence River, which are used by the inhabitants of the islands to maintain contact with the mainland. Those negotia-

tions, according to the minister, were entrusted to some of his officials and their counterparts of the Quebec government.

As the matter is extremely important because those wharves are deteriorating for lack of maintenance and communications are that much more difficult I must say it is urgent for the islanders to know what decision the Department of Transport has come to in this regard. If negotiations are at a standstill, obviously there will be no transfer. What does the minister then intend to do to keep those wharves in good shape which are absolutely necessary to ensure good communications?

● (1420)

[*English*]

Mr. Lang: I will report as soon as possible, Mr. Speaker.

* * *

STATISTICS CANADA

REQUEST FOR REPORT AND TABLING OF DOCUMENTS RELATING TO FELLEGI AND SUNTER PARTNERSHIP

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I would like to direct my question to the Minister of Industry, Trade and Commerce. I thank him for tabling the response to the question put by the hon. member for Vegreville, although I am sorry he did not take the opportunity to give us advance notice in order that we could look at it before the question period. I have given the minister notice of this question. Has he had an opportunity of investigating the circumstances behind the Fellegi and Sunter partnership? Is he now in a position to report to this House with regard to their activities and whether they have put out any advertisements? If so, will he table these? In addition, will the minister advise whether they were involved with any private firms outside of universities?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, according to the information made available to me concerning several incidents mentioned, I think that in the case of the deputy chief statistician, Mr. Fellegi, there is nothing more than the fact that he helped some universities and worked for a company. I stated that under those circumstances I had no reason to believe that there was a conflict of interest, but I will prepare a more complete written answer which I will table in the House so that the hon. member will be satisfied with my answers.

[*English*]

DATA ALLEGEDLY OFFERED FOR SALE BY ALAN JEFFERY ASSOCIATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I think it would be more appropriate if a statement were made on motions in order that we could have a proper debate on this issue. Nevertheless, with regard to the answers the minister has tabled to written questions by my colleague from Central Nova relating to the activities of Statistics Canada employees and a possible conflict of interest arising therefrom, will the minister inform the House whether he has received information on any data derived from Statistics Canada sources which was offered for sale to any other organization or individual by Alan Jeffery Associates or any other employees of Statistics Canada associated with Alan Jeffery Associates? The minister failed to answer that part of the question in the written response. Accordingly, the response was incomplete.

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I tried to give the most complete answers to all those questions, and I said earlier, in reply to the hon. member for Central Nova, that I would be willing to appear before a committee of the House when supplementary estimates (A) or (B) will be considered. I think there will be a vote for my department. I know that, under those circumstances, hon. members of the opposition as well as those on the government side will have the opportunity to ask me questions. I talked with Dr. Kirkham this morning and he told me he would be happy to answer all those questions. Everyone will understand, Mr. Speaker, that it is quite difficult to answer such questions during the oral question period. There are so many matters to cover that I will be happy to answer all those questions before the committee. In the meantime, I would be happy to table a written answer to the questions of the hon. member which covers several specific points, but as his question does not appear on the order paper, I did not think I could answer it this way. I thought he would be glad to hear that I expect to appear before the committee to answer all questions.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

AUTHORIZATION OF MR. SNYDER BY CHIEF STATISTICIAN TO ENGAGE IN OUTSIDE ACTIVITIES—ACTIVITIES OF ALAN JEFFERY ASSOCIATES

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I do not want to get involved in a debate about the shortcomings of the committee system with regard to obtaining information from the government. If I may, I will direct my supplementary question to the Solicitor General. Were the RCMP informed that Mr. Snyder had received authorization for other moonlighting activities regarding other shopping centre sales data from the then chief statistician, and is the minister in a position to detail the suggestions she may have made or authorization she may have given in that instance? What other outside activities of Alan Jeffery Associates, other than the University of Toronto and Ontario government projects were known in the course of that investigation by Statistics Canada officials?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I do not have any knowledge of the specific facts the hon. member has brought to the attention of the House. I will be pleased to check into them. I would like to say, however, in answer to his

more general question of two weeks ago and that of his colleague, after looking into the matter the RCMP informed me there was no suggestion whatever of any interference or hindrance brought to bear in the investigation of this matter.

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, with permission, I have some information to give the House on this subject. The questions to which the hon. member referred were looked into by the RCMP at the time of the investigation of Alan Jeffery Associates and no evidence of any impropriety was found. In fact, what Mr. Snyder was trying to do was repeat a type of study he had conducted in 1962 with the authorization of the then minister of trade and commerce.

* * *

BUSINESS OF THE HOUSE

DATE OF INTRODUCTION OF FREEDOM OF INFORMATION ACT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary question for the President of the Privy Council. When does the minister intend to introduce the government's bill setting forth proposals with regard to access to government documents so that the House can get on with the business of passing a workable freedom of information act which would have the revolutionary effect of eliminating or diminishing official deception and the hiding of documents, so that situations of the kind referred to by my hon. friend are not likely to recur.

Hon. Allan J. MacEachen (President of the Privy Council): We are, of course, awaiting some good advice from the committee which has been studying this matter, but quite apart from the operations of that committee a good deal of attention is being paid within the government at the present time to the possibility of taking further steps in the direction we have been following consistently over the past several years.

Some hon. Members: Oh, oh!

Mr. Baldwin: A good thing you are not on the road!

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NORTHERN AFFAIRS

ENVIRONMENTAL REPORT ON NANISIVIK LEAD-ZINC MINE—GOVERNMENT ACTION

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, in the absence of the Minister of the Environment my question will be directed to the Minister of Indian Affairs and Northern Development. It concerns the environmental assessment of the Nanisivik lead-zinc mine located on Baffin Island, reportedly prepared by Mr. P. S. Blackall, a federal environment inspector. In view of the fact that the report, citing unacceptable environmental practices, is alleged to have recommended the cancellation of the mine's industrial water licence, will the minister tell us what plans have been made to ensure that the mine meets federal environmental standards? Further, has he set any deadline by which the company concerned must meet those standards?

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Mr. Speaker, the company has agreed to rectify the situation. They will file a compliance schedule with us by November 19 and that schedule will have to be implemented before next spring.

Mr. Jarvis: Is the minister aware that according to Mr. Blackall the mine has yet to implement a number of other recommendations in addition to those concerning water quality? What steps does he intend to take to ensure that the additional quality control structures required are installed? I think Mr. Blackall has indicated that only 33 per cent of the recommendations have been implemented.

Mr. Allmand: I was not aware of those other deficiencies but I am pleased they have been brought to my attention. I will pursue the matter.

* * *

EXTERNAL AFFAIRS

POSSIBILITY OF REPRESENTATIONS TO OPEC COUNTRIES ON INCREASE IN PRICE OF OIL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. As the minister knows, the ministers of the OPEC countries are meeting in Vienna to discuss a possible increase in the price of oil. Has the government of Canada made any representations to OPEC on that subject?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): The International Energy Agency met last week, and Canada is, of course, a member of that agency. A strategy, if that is the proper word, was devised at that time and I am sure an appropriate message has been effectively conveyed to the OPEC countries.

Mr. Gillies: Given the fact that the government of the United States has made two separate presentations to the OPEC ministers on the ground that a rise in crude oil prices would have a most deleterious effect on the world economy, and particularly on the economies of third world countries, does the minister not think it would be useful and valuable for Canada to make its views known on so important a matter? Indeed, could the minister tell us what Canada's position is?

Mr. Jamieson: I agree with what the hon. member has said. Not only do I agree, but we have anticipated him in the sense that my colleague, the Minister of Energy, Mines and Resources, has made representations to several of the OPEC countries. I have personally done so, and our position has been conveyed to the OPEC countries *per se*. I think it is fair to say that we are in the same position as the United States in hoping

there will not be an increase decided on by OPEC at its meetings in December.

● (1430)

GARRISON DIVERSION—UNITED STATES POSITION ON MORATORIUM ON CONSTRUCTION OF LONETREE RESERVOIR

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State for External Affairs. Did the government of Canada send a diplomatic note to the United States government on October 12 formally asking for a moratorium on the construction of the Lonetree reservoir as a part of the Garrison irrigation project, and if this is the case, what response has been received?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, it is a fact that on October 12 we did indeed submit a formal note to the Secretary of State's department in the United States along the lines indicated by the hon. member and as reported over the weekend. To date we have not had a reply from the United States administration. I have been advised informally that that reply may be forthcoming within a matter of a couple of weeks, but up to the present time there has not been a reply. Incidentally, if the hon. member or the House so desires, I would be glad to table the note.

Mr. Dinsdale: A supplementary question, Mr. Speaker. I thank the minister for his offer to table the note, but in view of the fact that the government had decided to wait for the report of the IJC before taking further action on the matter, is the new Canadian posture based on evidence that there will be pollution and degradation of boundary waters as a result of the construction of the Lonetree reservoir?

Mr. Jamieson: Mr. Speaker, I think our posture is that we simply do not know if that is going to be the case. Because of the uncertainties, and because these cannot be resolved in the absence of the detailed report of the IJC, this is precisely why we requested the United States administration to refrain from any further construction. In other words, we are not clear, and I doubt very much if anyone can be specific at the moment, as to what impact the construction of Lonetree will produce. That is why we felt that a moratorium should be decided on by the United States pending completion of the IJC report, which I think hon. members are aware will not be completed, because of its complexity, until some time late in the spring of 1977.

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GOVERNMENT ADMINISTRATION

SUGGESTED REVISION OF GUIDELINES FOR USE OF GOVERNMENT AIRCRAFT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the right hon. Prime Minister. In view of public concern at the travel arrangements of the Minister of Transport over the last few days, I should like to ask the Prime Minister whether or not he is now considering revising the guidelines dealing with the use of government aircraft, and would he make these guidelines public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I stated in the House the other day the intent and the effect of the guidelines. They are that planes, government transportation, can be used only when the public duty of a minister is involved. Unless the hon. member has a better guideline, I think that is the one that should continue to be practised and which has been practised in this country for 30 years.

Mr. Nystrom: A supplementary question, Mr. Speaker. Would not the Prime Minister agree that flights such as the one taken by the Minister of Transport in April, 1975 to Saskatoon—

Mr. Speaker: Order, please. Surely, the hon. member is prefacing his question with an argumentative assumption. It may have acceptable substance but perhaps he would try again.

Mr. Nystrom: Can the Prime Minister say whether or not a trip taken by the Minister of Transport in April, 1975 to Saskatoon, after which he took a group on a sidetrip to Regina on a government plane to attend a private party at—

Mr. Speaker: Order, please. The hon. member has a very legitimate line of questioning for another forum at another time, but certainly not for the question period.

Mr. Fairweather: I have a legitimate supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member for Yorkton-Melville.

Mr. Nystrom: I just want to ask the Prime Minister whether or not the guidelines include a clause that would prohibit the minister from taking a government aircraft to a party at his brother-in-law's place, as he did in April, 1975?

Some hon. Members: Oh, oh!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Minister of Transport. Would the minister let us know whether he preferred tea, coffee or milk on his—believe it or not—Air Canada trip to Saskatoon last weekend?

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SEARCH AND RESCUE

REPORT OF TASK FORCE—DATE OF PUBLICATION AND POSSIBLE TABLING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a reasonable question for the Minister of Transport. Would the minister indicate whether he has had an opportunity to discuss the task force review report on search and rescue with the Minister of National Defence? In view of the fact that time is of the essence, would he indicate when he

will table the report and can he report any progress to the House?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am pleased to learn that when the hon. member says he has a reasonable question it is a reasonable one, unlike the illegitimacy of his colleague's "legitimate" supplementary question. I am happy to say that the Minister of National Defence and myself have been having discussions concerning the search and rescue facilities, and moves are already underway in relation to the various improvements which will be in the hand. A fuller statement and announcement about all of this will be made in due course with the appropriate background material at that time.

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TRANSPORT

POSSIBILITY OF JUDICIAL INQUIRY INTO SINKING OF "SAN JUAN"

Mr. John C. Crosbie (St. John's West): A supplementary question, Mr. Speaker. As the Minister of Transport will remember, some two weeks ago he spoke to the leader of the opposition in Newfoundland, Mr. Roberts, and said that he would reconsider whether or not to order a judicial inquiry into the sinking of the *San Juan* off the coast of St. John's West last February. As the minister knows, there are many people in Newfoundland who are not satisfied with the private inquiry that was held by the Department of Transport. The minister then said that he would reconsider whether or not there should be a judicial inquiry. Would he now tell the House whether or not he has now reconsidered and what his decision is?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I indicated at that time that I would certainly investigate the several facts, which were the first facts which had been brought to my attention, which seemed inconsistent with anything that had been contained in the earlier summary report. I have had those facts further investigated, particularly the allegation that the radio on the *San Juan* was not in working order, which certainly was contradictory of the statements which had appeared as the basis of the report to me on the circumstances surrounding the *San Juan* incident.

I have since ascertained very firm confirmation of the fact that there was radio contact between the *Bartlett* and the *San Juan* at that time. I have also received further very firm information from a person very knowledgeable about the *San Juan* that the radio did not work well when the engine was running but worked very well indeed when the engine was not running; and of course the particular problem with the *San Juan* was that the engine was not running, and that explained to me the discrepancy.

Mr. Crosbie: A final supplementary, Mr. Speaker. Would the minister agree that justice needs to be seen to be done as well as done? There are many tens of thousands of people and authorities in Newfoundland, including the churches, who are not satisfied there has been a proper inquiry into the loss of the *San Juan* and who think there is evidence—

Mr. Speaker: Order. If the hon. member has a supplementary would he put it?

Mr. Crosbie: How does the minister propose to lay those questions to rest?

Mr. Lang: Mr. Speaker, I propose to conclude the further investigations I have had undertaken and then make a very full and complete examination of the report which has been made to me and the further report which will be made to me. There were two basic elements concerning the *San Juan*. One was our search and rescue facilities, and this question is being dealt with in terms of a major overhaul and improvement in our approach. The other concerns the actual facts of the incident. While it is important to have those facts and to have them known, I did not favour a simple second guessing of the judgment of the master of the *San Juan* and those involved at the time of the crisis. I do not think, in a general way, that persons involved in coast guard duty and the like should be faced with the plight that every time they make a judgment in connection with a very serious circumstance they will be second guessed months afterwards by people using hindsight.

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FINANCE

MEETING WITH PROVINCIAL MINISTERS ON COST-SHARING AND EQUALIZATION PAYMENTS—POSSIBLE EXTENSION OF PRESENT FISCAL ARRANGEMENTS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a question for the Minister of Finance. Would he tell the House if, prior to the first ministers conference in mid-December, there is to be a further meeting of federal-provincial ministers of finance to try to arrive at an agreed upon formula for cost-sharing, equalization and revenue guarantee payments, and if so when this meeting is to be held?

Hon. Donald S. Macdonald (Minister of Finance): Yes, Mr. Speaker; it is on November 29 and 30.

Miss MacDonald: A supplementary question, Mr. Speaker. Can the minister say if there are any contingency plans to extend the present fiscal arrangements act past March of next year in the event that agreement cannot be reached with the provinces on all aspects of these complex fiscal arrangements, or is it still the government's intention to proceed unilaterally, as it has indicated, say with the termination of the revenue guarantee?

Mr. Macdonald (Rosedale): Mr. Speaker, the meeting on November 29 and 30 will discuss the whole package of proposed changes in federal-provincial fiscal relations. The hon. member uses the term "unilaterally". Of course, any legislation of this kind is inevitably legislation only of the government of Canada. We are not talking about any joint, mutual or matching legislation.

● (1440)

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): I would point out that the payments are all made by the government of Canada to the provinces, so why would there be provincial legislation? On that basis, we see no necessity for any contingency. There have been extensive discussions at the official level through the fall to determine many of the issues that have been discussed in this regard. We think it would be desirable to put this question of the various kinds of fiscal changes to rest as soon as possible and on that basis to enact legislation in this Parliament early next year.

Miss MacDonald: I wonder if the minister would undertake to approach these discussions in a posture of reconciliation rather than in one of continuing confrontation with the provinces.

Mr. Speaker: Order, please.

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STATISTICS CANADA

REQUEST OF TABLING OF INTERNAL MEMORANDUM DEALING WITH INACCURACIES IN GROSS NATIONAL PRODUCT ESTIMATE

Mr. Don Mazankowski (Vegreville): I have a question for the Minister of Industry, Trade and Commerce. First I should like to thank him for tabling the document which he did earlier in the day, a document which is essentially a technical rebuttal to the contents of the memorandum which was circulated in Statistics Canada. Would the minister be prepared now to table the internal memorandum in order to clear the air because it seems to me that the inaccuracies which were alluded to in the memorandum can only be cleared up by pointing directly to the memorandum so that those people who use the statistical information of StatCan will be able to interpret it with some degree of accuracy?

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I will certainly look into that request with much sympathy.

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CANADIAN DAIRY COMMISSION

REASON FOR FIRING OF CHAIRMAN AND VICE-CHAIRMAN

Mr. Jack Murta (Lisgar): Mr. Speaker, I find it incredible that the Minister of Agriculture is not in the House today to answer questions on the Canadian Dairy Commission.

Mr. Speaker: Order, please. Would the hon. member please put his question.

Mr. Murta: My question is directed to whoever is answering for the Minister of Agriculture today—

An hon. Member: They are all out campaigning.

[Mr. Macdonald (Rosedale).]

Mr. Murta: —who can shed some light on the situation which has arisen in the Canadian Dairy Commission. I should like to ask whoever that person might be, possibly the Prime Minister or the acting minister if he would be prepared to tell the House the reason for firing the chairman and vice-chairman of the Canadian Dairy Commission.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): There is no particular reason for it, Mr. Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Agreed.

Mr. MacDonald (Cardigan): I might say that the Minister of Agriculture is in New Brunswick meeting with various groups in that province. Of course, as you know, it is an all important province and an all important subject.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): The person who was appointed chairman of the Canadian Dairy Commission is a man by the name of Mr. Gilles Choquette. He is highly qualified. There is no doubt about the move made by the Minister of Agriculture.

Some hon. Members: Hear, hear!

Mr. Murta: That is the greatest non-answer we have heard in the House today.

Some hon. Members: Oh, oh!

REQUEST FOR INQUIRY INTO OPERATIONS OF COMMISSION

Mr. Jack Murta (Lisgar): I would like to direct my supplementary question to the Prime Minister. Because of the apparent lack of confidence in Mr. Choquette as well as in the Minister of Agriculture and the real danger that the supply-management agreement which has been worked out between the provinces and the federal government might fail because of what has happened in the last few days, is the Prime Minister prepared to recommend a public inquiry into the Canadian Dairy Commission in order that credibility in that body may be re-established and also that dairy producers in Canada may come to know exactly what is going on within the commission?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I disagree completely with the premise of the question in which the hon. member suggested that Mr. Choquette will not have the confidence of the producers and the consumers. Mr. Choquette is a well known expert in this area, and I think the least the hon. member could do is to watch him and judge him by his operations.

Some hon. Members: Hear, hear!

[*Translation*]

CANADIAN NATIONAL RAILWAYS

REQUEST THAT STATIONS ON CHAMBORD-DOLBEAU BRANCH BE OPENED EARLIER

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, my question is a kind of S.O.S. sent out to the Minister of Transport.

Since the timetable was modified on November 1, the passenger train for Chambord-Dolbeau operates between 4 a.m. and 6.30 a.m., at a time when any transportation system is discontinued. As the people who are responsible for the stations do not come to work before 8 a.m., all these stations are locked when the train goes through and passengers must stay outside in the bad weather of winter.

Would the minister make a representation to CNR authorities to have these stations opened when the train arrives so that passengers can at least use the phone and wait in a warm place?

[*English*]

Hon. Otto E. Lang (Minister of Transport): I will take note of the hon. member's representation and look into the matter.

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EXTERNAL AFFAIRS

DEATH OF ANNA AQUASH IN UNITED STATES—REPORT OF FBI INVESTIGATION

Mr. Wally Firth (Northwest Territories): Mr. Speaker, I have a question for the government House Leader. In view of the fact it is some five months since the government assured us that there would be an investigation into the circumstances surrounding the murder of Anna Mae Pictou Aquash, and in light of the fact that this House was told on June 29 of this year that the FBI was conducting an investigation into the death of this native Canadian, can the minister tell the House if the FBI report has been received and, if so, will the contents be made public?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I believe the hon. member had in mind the Secretary of State for External Affairs.

Mr. Jamieson: I am sorry, Mr. Speaker, I did not hear the question.

Mr. Firth: In view of the fact it is some five months since the government assured us that there would be an investigation into the circumstances surrounding the murder of Anna Mae Pictou Aquash, and in light of the fact that this House was told on June 29 of this year that the FBI was conducting an investigation into the death of this native Canadian, can the minister tell the House if the FBI report has been received and, if so, will the contents be made public?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I have seen a document in relation to this matter within the last week, but if the hon. member would be so kind as to give me 24 hours in which to look into it, I will try to give him a more detailed answer tomorrow because I am not sure whether or not it did constitute a report from the FBI. I will find out and let him know.

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CANADIAN WHEAT BOARD

PRESENCE OF MINISTER AT MEETING OF ADVISORY BOARD—POSITION TAKEN ON DROP IN PRICE OF WHEAT

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister in charge of the Canadian Wheat Board. Has there been a meeting of the advisory committee to the Canadian Wheat Board in the last six weeks and was the minister present?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the advisory committee ordinarily meets every month. I did meet with the committee at a meeting which I think was second to the last, but whether or not it was within the last six weeks I will have to check to make sure.

Mr. Hamilton (Qu'Appelle-Moose Mountain): At the meeting which the minister attended was the question of the unusual practice of dropping the wheat price so quickly discussed and what was the advice given by the advisory board?

Mr. Lang: As I recall the timing, it did happen shortly after the public complaint by Under Secretary Bell in the United States concerning the Wheat Board action. So, of course, the Canadian Wheat Board discussed the matter with the advisory committee. Essentially, the comments to the advisory commission were exactly the same as those subsequently made by me and the Canadian Wheat Board commissioners to the public to the effect that the Wheat Board's action was not an undercutting of American prices but a very competitive operation within the market to make sure that we stay in markets where we ought to be.

* * *

CUSTOMS

PURCHASING OF GROCERIES IN UNITED STATES BY RESIDENTS OF BRITISH COLUMBIA—GOVERNMENT ACTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is for the Minister of National Revenue. First, I wish to commend the minister for showing interest and taking some action regarding traffic problems at Douglas customs station at Surrey, B.C. One of the solutions she has introduced is a new tariff classification for groceries, presumably to facilitate quicker processing of travellers at the customs office. Since at best this can be seen as only a stopgap solution, can the minister tell the House whether she is proposing, together with her cabinet colleagues, any long range solutions to deal with

that flow of traffic, which is costing Canada $6 million a month?

● (1450)

Hon. Monique Bégin (Minister of National Revenue): Mr. Speaker, I would first like to correct one of the assumptions of the hon. member. It is true that we do our best to correct the situation but I did not initiate a change in tariff classification with a view to introducing a new tariff item for casual importation of mixed groceries. This would be done by the Minister of Finance. By doing that we might be interpreted as encouraging travelling to buy to the United States at the expense of small businessmen and Canadian producers. I do not think the hon. member would like to see that done, and I am anxious to hear his exact views as to what he wishes us to do.

Mr. Friesen: I remind the minister that I have a letter from her to the effect that a new tariff classification is being negotiated with the Minister of Finance.

However, since grocery stores in Bellingham are posting signs over their produce displays advertising their produce as duty free, and since the farming community in B.C. is being wiped out by these shopping practices, can the minister say whether she is working with the Minister of Industry, Trade and Commerce and the Minister of Agriculture to see whether GATT or any other agreements are being violated by the American merchant community?

Miss Bégin: We have informed the Department of Finance about the problem. We are not negotiating any change in tariff classification at this time. Separately, we have added four man-years on a casual basis to help process Canadians travelling and buying in the United States.

However, the last news I received, first from the hon. member and later from other hon. members of this House, is that Amtrak is developing a program of excursions for 48 hours into the United States. With Christmas approaching I am afraid we will have more problems, and it would not be proper for me to make promises in this connection. I still am not sure what kind of action the hon. member would like us to take. There is a paradox, and I do not know whether he is trying to help the passengers or the producers and farmers. Where does he stand?

Some hon. Members: Hear, hear!

* * *

HEALTH

ASBESTOS FIBRES IN WALL PATCHING COMPOUNDS—GOVERNMENT ACTION TO ELIMINATE HEALTH HAZARD

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I would like to direct a question to the Acting Minister of National Health and Welfare. In view of the finding of the National Resources Defence Council and the Consumers Union in the United States that wall patching compounds containing asbestos expose users to a substantial risk of cancer from concentrations of asbestos fibres significantly higher than those permitted by the occupational safety and health administration, has the government taken steps to prevent the sale of these products in Canada, and if not, what measures are planned to eliminate this health hazard?

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to refer this question to the minister for a full answer.

* * *

ANTI-INFLATION BOARD

REQUEST THAT BOARD INVESTIGATE PROPOSED INCREASE IN PRICE OF CHOCOLATE BARS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that Cadbury Schweppes Powell Limited will raise the price of their chocolate bars from 20 cents to 25 cents, a 25 per cent increase, and in view of the fact that other major chocolate companies plan to follow this procedure, would the Minister of Finance, a good family man, have the AIB look into the possible rollback of these prices and make the chocolate manufacturers of this country give the kids a good five cent chocolate bar?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I have already received substantial representations on this question, particularly at home, and as a result of those representations I can advise the hon. member that the AIB has indeed examined this important area of public consumption. It has been confirmed to me that it is the 51 per cent increase in the price of cocoa which has occurred on the world market which has been the reason for this increase. The board advises me that having examined the costs involved in the assembly of a candy bar, it feels that under the circumstances the companies have made an effective argument that the prices are justified by cost increases.

Mr. Paproski: Tell that to your daughter.

Mr. Hnatyshyn: Explain it to Justin.

Mr. Macdonald (Rosedale): I present these arguments to my hon. friends opposite, and now with some temerity I will have to take them home.

Mr. Paproski: The kids of this country are going to hate you, Macdonald.

Mr. Macdonald (Rosedale): Just like everybody else.

GRAIN

WHEAT—ALLEGED SALE TO PRIVATE TRADERS AND SUBSEQUENT HEDGING ON UNITED STATES EXCHANGES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board following the question asked by the hon. member for Qu'Appelle-Moose Mountain. Can the minister confirm if upwards of 165 million bushels of wheat were sold to the private grain trade at the price of something like $3.25 or $3.35 per bushel, and were these sales hedged on the Chicago and Kansas City grain exchanges?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I would ordinarily not want to comment on either particular volumes or prices at which the Canadian Wheat Board sells grain. I was informed, however—and I think I have no problem in relaying this information—that significant volumes of grain were sold by the Canadian Wheat Board at the time to which the hon. member for Qu'Appelle-Moose Mountain referred at prices which were then current and posted from time to time by the Canadian Wheat Board. The question of how those sales were then handled by the buyer is, of course, something which would not be within the purview of the Canadian Wheat Board.

Mr. Ritchie: Will there be a change in policy whereby the Canadian Wheat Board will be using these hedging facilities of the American markets either directly or indirectly through the private grain trade?

Mr. Lang: I know of no intention on the part of the Canadian Wheat Board to use hedging facilities. It would have been the buyers who would have used them.

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NORTHERN AFFAIRS

DECENNIAL REVIEW OF DEVELOPMENT OF NORTHWEST TERRITORIES—GOVERNMENT POSITION ON COMMITTEE STUDY

Mr. Doug Neil (Moose Jaw): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. On November 25 of last year I addressed a question to the then Minister of Indian Affairs and Northern Development concerning a recommendation within the Carrothers report regarding a decennial review of the political, economic and social development of the Northwest Territories. At that time the minister's reply was that he was giving the matter consideration. I am wondering whether in the short time the minister has been in his portfolio he has had time to consider this question.

Hon. Warren Allmand (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker. That same suggestion was brought to my attention when I was in the north, and I have asked to be briefed on that as soon as possible, but there has been no decision as yet.

Mr. Neil: Can the minister advise whether he has received a copy of a resolution passed by the Northwest Territorial Council in which it proposes establishing a committee to consider the future social, economic and political development of the territories, and if he has, does he approve the resolution, is he prepared to give it support and is he prepared to give it funding?

Mr. Allmand: I believe I have received the resolution, but it is presently under examination, and as yet no decision has been made.

* * *

GRAIN

QUARTERLY PAYMENTS TO GRAIN STABILIZATION ACCOUNT

Mr. Gordon Towers (Red Deer): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the fact that by law the government should have by now made three quarterly payments to the grain stabilization account which, according to the minister's figures, could amount to $25 million each, has the minister contacted the President of the Treasury Board to ensure that these payments were made on time?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I am informed that the law was carefully followed.

* * *

STATUTORY HOLIDAYS

DATE OF INTRODUCTION OF LEGISLATION PROVIDING FOR HERITAGE DAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Secretary of State. Can the minister now say when he will be introducing the government's omnibus or all-inclusive holidays bill? In view of the fact that this bill will include provision for Heritage Day in February, will the bill be placed before parliament in time so that if we pass it the holiday can be celebrated in February, 1977?

Hon. John Roberts (Secretary of State): That would depend on how long it took the House to pass the legislation.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): May I get the minister to come back to my question? Will the bill be introduced soon? Let us leave the rest to the House.

Mr. Roberts: Soon, Mr. Speaker.

Oral Questions

EXTERNAL AFFAIRS

GARRISON DIVERSION—TABLING OF NOTE TO U.S. GOVERNMENT

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, in line with my undertaking during question period I would like to submit two copies, in each official language, of the Canadian government's note to the government of the United States in relation to the Garrison diversion.

● (1500)

Mr. MacKay: Mr. Speaker, I have a brief point of order with respect to a matter on which I should like your advice. It concerns the reply to my question No. 764 on the order paper, dated October 21,1976, and, specifically, part 9 of the reply. The question is brief and, I submit, quite clear. Part 9 reads as follows:

> Was data derived from Statistics Canada sources sold or offered by the four employees or Alan Jefferys Associates to any other organization or individuals and, if so, (a) what data, (b) to whom, (c) what were the actual or proposed amounts of transactions?

Your Honour, since my question was clear, and the answer to it not complete, only stating that the RCMP investigation indicated that Alan Jefferys Associates produced studies for five other clients, apparently in order to provide complete details the order paper went on and listed some of these, but a key item was omitted. That answer ignored the essential word "offered" in my original query, thereby conveniently failing to deal with an integral part of the question. To this extent, the answer is misleading.

My point of order is simply to ask if Your Honour could possibly clarify, for my benefit and the benefit of other members of the House, whether it would be in order to request the minister to cause the answer to be enlarged so as to reflect more accurately the true situation, or whether it is within the rules of the House that answers which are not complete and which could be misleading can be put forward with impunity. I realize that the answer need not be given at all, but my submission is that if it is given, it ought to be reasonably complete. In view of the fact that I have placed more questions on the order paper today and there are a considerable number outstanding, I am bringing this matter to Your Honour's attention so that I may, hopefully, receive more accurate and complete answers to these questions in the future.

Mr. Chrétien: On the same point of order, Mr. Speaker—

Mr. Speaker: Order, please. The point of order, dealing as it does with an answer to a written question on the order paper, ought to have been raised when that item is called later in the day during routine proceedings. It has been raised now, however, and I note that the hon. minister responsible for the answer presumably wants to make some comment. Perhaps I should hear that before making any observation.

Mr. Chrétien: Mr. Speaker, perhaps the hon. member is not completely satisfied with the answer, and I shall look into that aspect of it. I tried to reply to all aspects of the question and today I offered to appear in front on a committee of the House where the hon. member can ask me as many questions as he wants. I have a very grave responsibility here. The questions are perhaps put in the House with good motivation. The civil service of Canada is first-class, but they cannot come here and defend themselves, so as minister responsible it is my duty to make sure that I protect their characters.

[Mr. Roberts.]

Mr. Hnatyshyn: You are not doing a very good job.

Mr. Chrétien: Scandals, and so on, have already been mentioned. We have asked the RCMP to investigate, and they have reported nothing wrong. No criminal charges have been laid, but some penalties were given and the names of the people involved were published. But they cannot defend themselves, Mr. Speaker, and I think it is the responsibility of the minister to get up in this House to protect the integrity of the civil servants in Ottawa if others do not want to do so. I am ready to do that.

Mr. Speaker: The hon. Leader of the Opposition on the same point of order.

Mr. Clark: On the same point of order, Mr. Speaker, if the minister and his colleagues are interested in protecting the reputation of the public service in Canada, as we on this side of the House are—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: —one way that can be done is for them to reply completely and in a fashion that is not misleading to questions asked either orally or placed on the order paper. That is the point of order raised by my colleague the hon. member for Central Nova. If the minister would simply answer questions completely and not attempt to avoid his responsibility, members on this side of the House believe that would not only help the House but would help preserve the integrity and reputation of the public service.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think hon. members on both sides of the House realize we have been on a non point of order from the very start. There is no jurisdiction in the Chair to comment on the length or incompleteness or quality of answers given. The hon. member for Central Nova finalized his argument with the point that there is no obligation to answer questions. If they are answered, the completeness of the answer or the quality could perhaps be commented on at another time when debate is permissible or further questions arise. Those further questions in some cases can be put on the order paper, and in some cases by an oral follow-up, but the point raised is not a valid point of order.

ROUTINE PROCEEDINGS

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the following questions will be answered today: 40, 165, 185, 196, 199, 202, 700, 777, 778, 782 and 841.

I ask, Mr. Speaker, that the remaining questions be allowed to stand.

[*Text*]

DISCLOSURE OF NAMES OF OFFICIALS WHO PERFORM TASKS IN THE COURSE OF THEIR DUTY

Question No. 40—**Mr. Cossitt:**

With reference to the answers to Questions numbered 4,094 and 4,095 of the First Session of the 30th Parliament, which state in part "It is not in the tradition of a non political public service to disclose names of officials who perform tasks in the course of their duty" (a) when was this tradition established (b) who established it (c) what are the reasons for the government to withhold from Parliament the names of public service officials and the tasks that they perform (d) is this a policy of secrecy on the part of the government (e) will this policy be changed immediately so that Parliament's right to full details will be allowed?

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): This is a fundamental convention of ministerial government and the hon. member may therefore wish to read, *inter alia,* Parris' "Constitution and Bureaucracy", Birch's "Representative and Responsible Government", and, of course, Jennings' "Cabinet Government".

NATIONAL DEFENCE—NAVY LEAGUE RECOMMENDATION TO DESIGN FLEET REPLACEMENTS IN CANADA

Question No. 165—**Mr. Forrestall:**

1. Is the government aware of the resolution of the Navy League of Canada that the ship replacement programme for the Department of National Defence includes, "as a matter of paramount importance" a maximum Canadian content?

2. Does the government accept that any requirement for Canadian design work would guarantee higher ultimate Canadian content than off-shore design?

Hon. Barney Danson (Minister of National Defence): 1. The Department of National Defence is aware of the Navy League of Canada resolution.

2. The Department of National Defence intends to include maximum Canadian content to a realistic level.

KEJIMKUJIK FISH HATCHERY

Question No. 185—**Mr. Crouse:**

1. Has the government any plans to re-open the Kejimkujik Fish Hatchery in North Queens, Nova Scotia and, if so, on what date?

2. Have any funds been allocated for this purpose, leading up to the restocking of our rivers and lakes and, if so, what is the amount?

Order Paper Questions

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. Continued budgetary constraints have prevented the development of any plan to reopen the Kejimkujik Station.

2. No special funds have been set up. The stocking of Nova Scotia rivers and lakes is a continuing program undertaken by the six hatcheries operating in the province.

PUBLICATION "POLICY FOR CANADA'S COMMERCIAL FISHERIES"

Question No. 196—**Mr. Marshall:**

What was the manner of distribution of the publication *Policy for Canada's Commercial Fisheries* in (a) Newfoundland (b) Nova Scotia (c) New Brunswick (d) Prince Edward Island and, in each case, to whom was it distributed?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): (a) The publication was sent out on a request basis to Fishermen's Groups, the Fishing Industry, Memorial University of Newfoundland, University students, High School students and teachers, the business community, community development organizations, municipal and community councils, commercial fishing suppliers, Province of Newfoundland and Labrador, Department of Fisheries and Environment employees, other Federal Government Departments, and the general public. (b), (c) and (d) The publication was sent by mail to all Field personnel of Fisheries and Marine Service in Maritimes Region, all Maritimes news media (radio, television, etc.) all industry in the Maritimes Provinces, all Provincial and Federal Departments and Agencies, public requests and public distribution at Fisheries Festivals and Exhibitions in Shediac, Shippegan and Lunenburg.

WEATHER STATION—CORNER BROOK, NEWFOUNDLAND

Question No. 199—**Mr. Marshall:**

In regard to the proposed weather station to be located in Corner Brook, Newfoundland (a) where will it be located (b) how many employees will be required to man it (c) how many square feet will be required (d) what service will it offer?

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): (a) Location within Corner Brook not yet decided; (b) Two; (c) Approximately 1,500 square feet; (d) The provision of climatological advice and weather information in support of the fishing industry, other marine users, the forestry industry and agriculture as well as weather information for the general public, radio and TV stations and newspapers in Corner Brook or the surrounding area.

RAIN ENHANCEMENT EXPERIMENTS

Question No. 202—**Mr. Marshall:**

1. Have any experiments to create or increase rain been carried out in Newfoundland and, if not, are there any plans to carry on such experiments at a future date?

2. What were the results of the Yellowknife rain enhancement experiment which began on June 26, 1976?

Order Paper Questions

Mr. Jim Fleming (Parliamentary Secretary to Minister of Fisheries and the Environment): 1. No experiments to create or increase rain in Newfoundland have been reported under the Weather Modification Act, and DFE has no plans to carry on such experiments in Newfoundland.

2. This preliminary experiment yielded encouraging results. The results were not conclusive and more experiments are needed to give scientifically meaningful answers.

DISTRIBUTION OF PAMPHLET ENTITLED "INTRODUCTION TO HABITAT"

Question No. 700—**Mr. Munro (Esquimalt-Saanich):**

Did the Habitat Committee produce and distribute a glossy pamphlet entitled *Introduction to Habitat* and, if so (a) what was the cost (b) which departmental budget was charged with the cost?

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): A booklet entitled "Introduction to Habitat" was produced by the Canadian Habitat Secretariat to provide basic pre-conference background information to countries who might send delegates. It is customary for the host country of a United Nations conference to issue and circulate such a booklet. (a) Total cost was $72,937.76 for 100,000 copies. (b) This cost was charged to the budget of the Canadian Habitat Secretariat.

CREDITS GRANTED TO CHILEAN JUNTA

Question No. 777—**Mr. Rodriguez:**

1. What position was taken by the Canadian representatives to the Inter-American Development Bank with regard to the credits granted to the Chilean Junta on (a) March 30, 1974 (b) April 25, 1974 (c) March 13, 1975 (d) June 19, 1975 (e) December 11, 1975?

2. Have any votes been prompted by loans to Chile since September 1973 and, if so, how has Canada voted?

3. Has the Chilean debt to the IDB been renegotiated since 1973 and, if so, what are the terms and circumstances of renegotiation?

4. What is Canada's position on the $86 million IDB credit currently being negotiated with Chile in view of the serious questioning by business and economic sources of Chile's "financial stability" and its capacity to repay its debts?

5. What Canadian exports have gone to projects financed by IDB loans since 1974?

6. Have any studies been made of the net costs and benefits to Canada of participation in the IDB?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. To date, all loans have been considered by the Canadian Directors of international financial institutions on the basis of their economic and technical merits. Respecting loan agreements to Chile signed to date with the Inter-American Development Bank, all such loans since 1974 were considered economically and technically sound.

2. Yes, there has been one such vote. On June 18, 1976 an official vote was called on a Bank loan to Chile. Canada voted in favour along with all the Latin American members of the Bank.

3. No.

[Mr. Marshall.]

4. There is no credit to Chile for $86 million currently under negotiation between it and the IDB.

5. Engineering and consulting services, construction services, electrical generating equipment, control equipment, transmission equipment and materials, agricultural equipment.

6. The costs and benefits of Canadian participation in the IDB are monitored constantly by officials.

$33 MILLION WORLD BANK LOAN TO CHILE

Question No. 778—**Mr. Rodriguez:**

1. What is Canada's present policy toward World Bank loan credit applications from Chile?

2. (a) Did Canada vote on the recent $33 million World Bank loan to Chile and, if so, how did it vote (b) what was the Canadian position on the particular loan in question, in view of the serious questioning by business and economic sources of Chile's "financial stability" and its capacity to repay its debts?

3. Does the government have any intentions to review its policy toward foreign loans so as to reconcile the contradictions that exist between the concern for humanitarian principles that have been expressed by External Affairs, on the one hand, and the previously stated criteria by the Department of Finance, which does not take these into consideration?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. All loans made by the World Bank are currently considered on a case-by-case basis on their economic and technical merits.

2. (a) Yes, in favour. (b) The loan in question was considered economically and technically sound.

3. The Canadian Government agrees that loans made by international financial institutions should be considered on economic and technical grounds. Its aim with respect to such loans is to promote the well-being of the people of the country to which the loan is extended. To adopt other than objective technical and economic criteria would have an adverse effect on the financial viability of the institutions themselves. The Canadian Government's concerns regarding humanitarian questions are made known bilaterally and through the appropriate international bodies.

CONTRACT FOR NEW BANK OF CANADA BUILDING

Question No. 782—**Mr. Bawden:**

1. What is the name of the contractor for the Bank of Canada Building on Wellington Street?

2. On what date was the contract awarded and at what price?

3. Will the Building be completed at the original bid contract price and, if not (a) by what amount has the completion cost increased and what are the details of such increases (b) in what manner was the bid contract renegotiated?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): See reply to Question No. 3,229 tabled in the House of Commons January 26, 1976.

DASH-7 STOL AIRCRAFT

Question No. 841—**Mr. Horner:**

Has the government decided to purchase any of the DASH-7 STOL aircraft and, if so (a) has a contract been signed between the government and DeHavilland Corporation (b) on what date (c) what are the details of the contract?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): No. (a) Not applicable; (b) Not applicable; (c) Not applicable.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed from Wednesday, November 10, consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, it seems to me that Bill C-19 is very much a bill about the style of this government. It is a bill about how far the government judges it must go in order to restore some measure of confidence among the people of the country. It is a bill which consists, it seems to me, in a large amount of vagary and, to use the current fashionable expression, it is a purely cosmetic operation. It is because of this sham, because of this posturing, that the government finds itself in deep trouble with the public of Canada, a matter that I think should worry us whether we sit on this side of the House or on the other.

Canadians do not mind shell games at some fall fair or agricultural exhibition. They are amused by the sleight-of-hand and the speed of the operator. They are prepared to lose a dollar or two as the game goes on. But they care very deeply if the sleight-of-hand is perpetrated by ministers of the Crown. If any bill has evidence of this, it is Bill C-19 which is one of the most interesting shell games outside an agricultural fair that I have ever seen. What has happened, of course, is that the columns of figures have been moved from one page of government ledger to another. In clause 15 the government notes that basically this part of the bill will affect people who do not have as much clout and who do not have as much power and cannot bring as much pressure to bear on the government as others. So the cosmetic operation continues.

Members of parliament on this side of the House are asked to buy this bill. I may say that if it had not been for the most eloquent and positive speech of the hon. member for Halifax (Mr. Stanfield) last Wednesday, I do not think we would yet have heard the government's proposal which was given by the Minister of Transport (Mr. Lang) about the repeal of section 272 of the Railway Act.

When ministers move millions of dollars from one column of government ledgers to another, the public understanding, the public cynicism, the general malaise of the public of Canada is only accentuated. This is why I wanted to take a minute or two to discuss the bill and explain why I characterize it as a measure of the style of this government. It is a style which has effectively disillusioned the vast majority of Canadians who doubt the government's capacity for leading the country. Bill C-19 which we are now debating is, in the vernacular, the son of Bill C-87, with the same inherent defects. The government has brought the bill forward because it persists in its arrogant assumption that the people of Canada will swallow anything. That is partly why members of the opposition, in discharging their obligation to the people of Canada, must take a day or two debating a bill so patently phony in conception.

● (1510)

Let us talk about clause 15 of the bill which, as I said, seeks to repeal section 272 of the Railway Act. In the name of restraint the government sought to abolish the subsidy on the movement of grain and flour through the ports of Saint John and Halifax. Many members—I shall be more generous than the Minister of Transport—on both sides of the House reminded the government how serious the repeal of section 272 of the Railway Act would be for those eastern Canadian ports. Mr. Speaker, the hon. member for Halifax finally smoked out the government. As my colleague said on November 10, as reported on page 957 of *Hansard*:

> Nothing can justify this—this thoughtlessness; perhaps I should not use the word "arrogant". Nothing can excuse this ineffectiveness and indecision... Unless the minister is prepared, right now, to disclose in some detail what he has in mind, this bill should no longer be debated at this time.

The hon. member for Halifax threw down the challenge, and I must compliment the government because the challenge was taken up; the big guns participated in the debate. Following the hon. member for Halifax, the Minister of Transport said, as reported at page 957 of *Hansard*:

> When the earlier bill was on the order paper I stated it was our intention to do some serious work on the question of movement of grain and flour which could and should take place after the old section 272 of the Railway Act was no longer in existence.

I am prepared to congratulate the government for belatedly and reluctantly facing the facts, namely, that opposition to the repeal of section 272 of the Railway Act made it impossible, and properly so, for the government to secure passage of Bill C-87 in the previous session. Such opposition threatens to delay the progress of Bill C-19 of the present session. Although I am not privy to all the secrets of the Minister of Transport, and I shall disclose one or two of his secrets in a minute or two, I think he will agree that the extensive criticism and debate of the previous session was not in vain for it brought about a deathbed repentance on the part of the government.

The minister, in his somewhat restricted vision, could only remind the House that the hon. members for Bruce-Grey (Mr. Douglas), South Western Nova (Miss Campbell), and Saint John-Lancaster (Mr. Landers) were concerned about this bill. I prefer to take a more generous attitude than that of ministers

who think that nobody but government backbenchers could support such an important bill.

May I interpolate this: if the government had been more generous in accepting opposition suggestions and criticisms, its legislative program would have enjoyed easier passage in the House. As I say, I prefer to take a more generous attitude and would add the official opposition and New Democratic Party members to those who resisted the government's blandishments and its vague promises that it would work to see what the effects of amending the Railway Act would be. It is apparent that in the intervening months it did not do this work. In my opinion, such work should have preceded the introduction of Bill C-87. That is why I talked about the style of government.

I was fascinated to note that despite recommendations made to the government, despite suggestions made by government backbenchers and put on record by members of my party, the New Democratic Party and the Social Credit party about the serious effects on the economy of the deletion of this section in the Railway Act, the government paid no attention, as was evident when it introduced the bill. Months went by. The bill was introduced, but little progress was made. Then the bill was brought forward for debate. Finally, on November 10, 1976, after the hon. member for Halifax had challenged the government to put up or shut up, the Minister of Transport stepped out of his hangar, if I may put it that way, and with an attitude of "full ahead go", if I may use the expression, said action would be taken and that the Canadian Millers' Association had accepted a government proposal.

In a memorandum to the cabinet dated May 25, 1976, the following recommendations were made for cabinet approval. They involved, first, the introduction of a new program of assistance to the Canadian milling industry, based on a direct payment for all export flour shipments except aid and shipments to U.S. destinations equivalent to the benefits of "at and east" rates, the level of payment to be announced following discussion with the Canadian Millers' Association. Second, the initiation of an inquiry by the Canadian Transport Commission to establish the actual cost of "stop-off" for milling in transit purposes. Third, the announcement of the above initiatives before further progress was made with Bill C-87.

I will never know why the cabinet did not accept those recommendations until November 10. During the question period a member of the cabinet spoke of the efficiency of the public service, an observation with which I am happy to agree. Yet here was a memorandum prepared for the cabinet by senior civil servants and it had to wait until November 10 for acceptance. Apparently the government is riding roughshod not only over parliament but over advice given to it by senior public servants in the form of a memorandum. This, I believe, accounts for some of the cynicism abroad in this land.

If the government had accepted the sensible recommendations made to it, by now either Bill C-87 or its progeny, Bill C-19, might be the law of this land. It is reasonable to expect that if the government had followed the advice it got from the public service, or parliament, Bill C-87 would now be part of

[Mr. Fairweather.]

the law on our statute books. But because that is not the government's style, because the government expects parliament and the public to take it on faith—and never before in our history has such faith been more fragile, because the government did not have faith in the advice of its public servants and did not follow the advice of parliament—it has found it difficult to secure quick passage for its legislation.

I say all this because hon. members opposite keep asking the opposition if it wants restraint. Mr. Speaker, the opposition wants it, but it wants some genuine, hard evidence to show that the government is concerned about restraint. Second, in the concept of the amendment to the Railway Act, the public wants evidence that the government wishes to keep viable the two large ice-free ports of Saint John and Halifax, wants to continue the movement of grain and wants those two ports to continue the movement of flour as has occurred in other years. As I say, this comment is made with a great amount of graciousness to the Minister of Transport, who was smoked out by the hon. member for Halifax, that all sides of the House wanted to get on with this legislation when the government's intentions were known.

• (1520)

I have another minute or two and I want to go back to the matter of faith. If I can be philosophical for a minute, faith is a concept that needs underpinning; it needs evidence to support it. This government keeps trying to bring down the faith of the Canadian people. It keeps saying it will do this, it will do that, and it will give certain undertakings. Then the government, because it does not take its own advice or the advice of its public service, makes it impossible for those of us who feel very deeply that faith is an essential component in the democratic process. We end up unable to have any faith in the government. In a way, we become accomplices to the cynicism that is abroad in this land. It is abroad largely because of the indecisiveness, rudderlessness, lack of leadership and Johnny-come-lately, cosmetic style of government that should, in my opinion, for the sake of Canada, go to the people for their opinion so that needed changes can be made.

Some hon. Members: Hear, hear!

Mr. Herb Breau (Gloucester): Mr. Speaker, I am particularly happy to enter the debate at this time, following the very eminent member for Fundy-Royal (Mr. Fairweather). Outside the political context he and I usually agree. However, before getting to the substance of the matter I wish to take up a few of the points he mentioned. First, I do not believe the hon. member is serious in his suggestion that the Minister of Transport (Mr. Lang) did not listen to or work on the difficulties with regard to reductions and subsidies under the Railway Act which had been provided to millers. He cannot be serious in suggesting that that decision was made in the House last Thursday after the hon. member for Halifax (Mr. Stanfield) spoke. If the hon. member had listened to or had read the minister's speech, he would have known that it was only on that day the minister received an indication from the millers

that the program which had been discussed and offered to them was workable and that their exports were secure.

Mr. Fairweather: That is exactly the point I was making.

Mr. Breau: The hon. member for Halifax was very opportunistic. I do not see anything wrong with that. The hon. member for Funday-Royal also wanted to take a bit of the credit. I agree that when they speak in the interest of the Atlantic provinces they should get some credit. However, I want to put on the record that the Minister of Transport had been discussing the problem with the millers for a long period of time.

What the hon. member for Fundy-Royal expounded on this afternoon proves that the government was correct in questioning the process by announcing, in Bill C-87 last year, some reduction in subsidies. What happened was that an alternative that apparently was more efficient in economic terms, in terms of marketing and in many other ways, was subsequently developed by the millers and the government. The hon. member for Fundy-Royal said that the government was acting by fakery or in a cosmetic manner. In fact, the hon. member confirmed that sometimes when a program has been in existence for a long time it should be looked at. For example, it is sometimes necessary to say that a subsidy which has been in effect for a period of years is being looked at, it may have to be reduced and we will discuss a more efficient way of dealing with the situation.

In dealing with this bill, the hon. member spoke about fakery and cosmetics. When he does that he is, in fact, saying that during the previous election campaign the Conservative party was engaging in fakery and cosmetics. They talked about the elimination of Information Canada. I do not recall any talk about the abolition of the Company of Young Canadians. However, they talked enough about government spending to lead people to believe that government spending is waste. If this bill is fakery, then the Tory platform for the past six or seven years is also fakery and cosmetics. They cannot have it both ways. I cannot let my honourable friend, and I use the word "honourable" in the best way, get away with the comment about fakery in government. I know where he stands with regard to public accountability and the honesty with which he deals with politics. However, he is part of the political game, like I am. He knows that to talk about fakery, in the terms he talked about it, is just an illusion.

I do not believe that ordinary people have an overwhelming faith in their government. Let us not forget how the British people defeated Winston Churchill as the last world war was ending. During the war it was easy to attract people and tell them they had to defend the country. Because of the adversary position of politics, the credibility of our public institutions is impaired. However, that is the price we have to pay for what I think is the best system in the world.

I want to again rub the hon. member a bit. While he may not personally be one of those who acts in dishonest ways, he is a member of the Conservative party. When he says that no government in history has had a worse problem with regard to credibility than this government, I remind him there is a government in New Brunswick with which he is at least indirectly associated.

Mr. Fairweather: And proud to be.

Mr. Breau: It is suffering from credibility. It has deceived people in the recent past. Looking at the honesty of positions taken by this government, and the honesty of positions taken by the government of New Brunswick, if I were the hon. member for Fundy-Royal and had his public respect, I would not engage in this kind of attack against this government when the honesty of the Tory government in New Brunswick is being seriously questioned.

I will now get to the substance of the bill. Most of the debate this far indicates one thing. People, particularly those in the Conservative party, are concerned about the government's share of gross national product. The standard question we have put to them over the years has been, which program would you cut out? I do not necessarily want to deal with that; however, when people make a big case about the government's share having increased from one-third some to 40 per cent in the last decade, they are not being totally honest in their comparisons, or they do not have the facts. It is one or the other.

• (1530)

A great deal of government expenditure in the past decade is not expenditure in the conventional sense. It is, rather, a shift of resources from one group of taxpayers to others. Take medicare, for example. People were paying for medical services before the act was passed. The difference now is that the cost is shared, instead of being borne by individuals, and that the administration is in the hands of the federal government and the provinces. Thus, if the intention is to make an honest comparison, the cost of medicare services should be left out.

The same holds true in the case of the Canada Assistance Plan. It is true that hospital insurance was in effect before the beginning of the last decade, but a tremendous increase in cost has taken place since then. So this component should also be excluded from the calculation. The same applies to such allocations of funds as the oil subsidy to cushion the effect of rising prices in eastern Canada. This is not government expenditure in the true sense of the word; it is a transfer of funds from one part of the country to another, a re-channelling of resources for the purpose of ensuring greater equity.

Consider government participation in the Syncrude project. This expenditure was undertaken in the national interest in view of the uncertainty of future oil supplies. When some of the original investors pulled out, governments, both federal and provincial, bought equity in Syncrude to ensure that the project went ahead. So perhaps, when making a comparison, one should exclude this component also. There are many other elements of government expenditure, if hon. members want to call it expenditure, which ought to be excluded.

To sum up my position on this, I say it doesn't matter a damn—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Breau: Well, it doesn't matter a darn—

Mr. Knowles (Winnipeg North Centre): Order. Parlez en français.

Mr. Breau: Well, cela ne fait pas une maudite difference—it doesn't matter one iota—what percentage of the gross national product governments take. The essential consideration is the way in which the money is being spent: is it being spent productively? I hear the hon. member for Edmonton West (Mr. Lambert) growling. I could not find a better example. I cannot think of anyone more likely to growl when I mention something like this.

Mr. Lambert (Edmonton West): Where does the money come from? You get it from taxes.

Mr. Breau: Yes, by taxing the productive sectors of society and by taxing people on the basis of their ability to pay. I am not saying that all government expenditure is wise, nor am I asserting that the ever-increasing share we are taking is being spent all that productively. That is not the essence of my argument. My point is this: the main thing is not the level of the government's share, but how well it is being spent. The hon. member can growl all he pleases. I can give example after example of government intervention in the economy where the effect has been productive both in the immediate future and in the long term.

Mr. Lambert (Edmonton West): Yes, and there have been as many boondoggles, too.

Mr. Breau: I will come to the boondoggles later. But once the objective has been decided on, how are the mechanics of implementation working? One of our difficulties, as a western democracy, is that very often a worth-while objective can be "faussé"—the word is French—by the manner of administration. One thing of which I am certain is this: when we intervene in the economy, we should make very sure we intervene in areas which are productive economically, socially and culturally.

A great many people suggest that the channelling of funds through unemployment insurance is unproductive. I challenge that assertion today, as I have in the past. In an area like mine, it is an accepted fact of life that not everybody can be permanently employed. Many individuals have been brought up to accept the custom of working for only part of the year and staying home for the rest. These people receive unemployment insurance benefits. But the fact that they are, as it were, unemployed does not mean the funds they receive are being spent unproductively. It is part of a tradition that a lot of people repair their homes during that period. If they are fishermen, they repair their gear. If they are loggers, they repair their logging equipment. What happens in other levels of the economy? Similar repairs are made from time to time and the expense of doing so is included immediately in the cost of the product. So what is the difference if an individual carries them out in the course of the winter while receiving unemployment insurance benefits?

It seems to me that when we are talking about the percentage of the gross national product the government should take, we should bear in mind what I have said. Instead of being 30 per cent or 40 per cent, it could be 50 per cent and the process would still be productive. I do not believe it is necessarily bad when government intervenes, nor do I believe that government should necessarily intervene. There are, of course, areas in which intervention is necessary. The arrangements under which federation was agreed upon do not, in any case, make economic sense. The present political fabric is a result of a series of deals made between various regions or economic areas to unite under a parliamentary form of government. In accordance with this overriding decision, one of the first things to be done was to direct the economic affairs of the country east-west. In my part of the country that does not make any sense at all, economically; but it was upon such considerations as these that confederation was made possible. The final result, however, was the emergence of a country in which there was a singular need for intervention at government level if the country was to flourish and survive.

I cannot complete my remarks on this subject without mentioning the hypocritical attitude adopted by some members, particularly those in the Conservative party, when they continue to blather about the evils of government intervention. It is nonsense to suggest that government intervention could be avoided in the context of the Canadian reality. Absence of such intervention would mean prosperity for only a few special areas; the rest of the country would face disaster and eventually confederation would break up. This becomes evident in other fields. What, for example, should be the response to inflation? The traditional response is to tighten up fiscal and monetary measures, a strategy which worked effectively in Japan. Some people say that it worked effectively in the United States. I am not so sure about that. It worked in economic terms, but I should like to study the social cost of having fought inflation by fiscal and monetary means in the United States. It worked in West Germany. I do not think it works in Canada.

• (1540)

Surely we do not have to start giving these kind of fundamental lessons on political economy in a House like this. The economy must serve the people first, not vice versa. The simple fact is that if you fought inflation, in the Canadian reality, with fiscal and monetary policies alone, you would have five provinces bearing the brunt of fighting inflation while the other five continued to produce and to prosper.

I mentioned the ambivalence or hypocrisy of some. If you read the speech of the hon. member for Fundy-Royal and others, they talk about the terrible effect of eliminating the subsidy under the Railway Act. They talk of the terrible effect of the stabilization act and say that payments will be delayed. They talk of the terrible effect of a few other things. On the other hand, whenever the president of some bank or some big

corporation gets upset and says that there is too much government intervention, we see the Tories popping up in support of him, pursuing their particular point of view. That is what I call ambivalence. Tory members speak of the necessity of intervention to provide grain stabilization, to stabilize prices and to give a subsidy to the millers, but the simple fact is that you need government intervention in the economy.

Mr. Gilbert: Right on.

Mr. Breau: I have another example of where—

Mr. Elzinga: On a point of order, Mr. Speaker, would the hon. member permit a question?

Mr. Breau: Surely.

Mr. Elzinga: I could not help noting the hon. member's comment regarding government intervention. I might ask whether he supports his government's throne speech which was recently brought down, in which the government themselves state that they believe there should be less government intervention? Would he tell us whether he is advocating his own policy or the policy of the government?

Mr. Breau: Mr. Speaker, I know the hon. member is new to the House, but he has been here long enough to know that I cannot speak for the government. I speak for myself.

Mr. Paproski: I thought you were a parliamentary secretary.

Mr. Breau: That was a year ago. Government policy as put forward in the Speech from the Throne is not that there should necessarily be less government intervention. What the government said was that we have to be more careful about the kind of intervention, that we should make sure that when we do intervene, we intervene in a productive way. That is precisely the point that I was making. I should like to give the House an example of what I mean. I believe that today and forever more this country is going to need a network of day-care centres, not only for social reasons but for economic reasons. I suggest this should be obvious to anyone unless they live in an area unlike mine and do not have to deal with the kind of welfare cases I get in my constituency office and here. The Economic Council of Canada, in its recent report, stated that somewhere between 1982 and 1985 there is going to be a shortage of productive labour in this country. The fact is that a lot of mothers and women today who could be productive have to stay home to look after the kids. It would make more economic sense, quite apart from the social value of this, for the federal government and the provinces to set up a network of day-care centres.

Another area of concern is unwed mothers. We must accept the fact that morality and behaviour have changed, whether we like it or not. We are not a church; we are a political body and are limited in the extent to which we can impose morality upon the people. While some members would like to do that, I do not think that we can. We have to respond to moral behaviour and the comportment of society.

A lot of marriages are breaking up and mothers and fathers are left with one or two children; or sometimes the whole family splits up. There has been a change in attitude and in the lives of people, and this is one further reason why we need government intervention. Lately I have come across case after case of marriage breakdown and either the father or the mother is really put in the position of being unproductive. They cannot work or hold a permanent, productive job precisely because there are no day-care centres in their community. This is why we need more government intervention; the economy of and benefit to the country demands it.

It seems to me that it is all right to question the means by which government intervenes, to say that there is too much bureaucracy, or that the return we get from the bureaucracy is not productive enough. But in this regard I should like to hear hon. members put forward ways in which the bureaucracy can be made more responsive and productive in the kind of society in which we live. I think this is a problem most western societies have to deal with. It is not a simple one; it is a very complicated and complex one. It may be okay in a certain area to say that the mechanics of implementation become too complex and complicated, that they are too much borne down by procedures, that we should eliminate them and start afresh. But it is illusory to talk about the dangers of too much government intervention, and in the Canadian context it would be a disaster, generally speaking, if government were to decide massively to reduce its intervention in the economy.

Mr. John C. Crosbie (St. John's West): Mr. Speaker,—

An hon. Member: Don't take us for a trip to the outports.

The Acting Speaker (Mr. Turner): Order. The hon. member for St. John's West (Mr. Crosbie) is making his maiden speech, and therefore should not be interrupted.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Some maiden!

Mr. Crosbie: Thank you, Mr. Speaker; that is certainly a wonderful suggestion. In making my first address to this House of Commons, it is, of course, a great occasion for me to speak in this chamber with so many years of history and tradition behind it. I hope I will be able to meet the standard of debate in the House and make some contribution.

In making my maiden speech, Mr. Speaker, I would certainly be remiss if I did not congratulate the Secretary of State for External Affairs, the hon. member for Burin-Burgeo (Mr. Jamieson), on his elevation to that post. As all hon. members know, he is a Newfoundland member, and every Newfoundlander is very proud of the fact that he has been promoted; I think it is a promotion for him to go to that post.

Some hon. Members: Hear, hear!

Mr. Crosbie: On a personal note, may I say the hon. member was a very good friend of my father and was associated with him in business many years ago. They always had a

very close relationship, and I know he would be thrilled to know that Don Jamieson is today Secretary of State for External Affairs for Canada and making such a good job of it. That does not mean to say that I am not going to be critical of the minister, Mr. Speaker, because I am, and I will be on other occasions. He is not perfect, but all Newfoundlanders appreciate the job he is doing and the fact that he has had this confidence placed in him by the Prime Minister (Mr. Trudeau).

● (1550)

If I am allowed to stretch the rules a bit on this occasion, I should like to pay tribute to the hon. member for St. John's East (Mr. McGrath) and the hon. member for Humber-St.George's-St. Barbe (Mr. Marshall), my Progressive Conservative colleagues in this House from Newfoundland, for their very distinguished record here, the hon. member for St. John's East since 1957 and the hon. member for Humber-St.George's-St. Barbe since 1968. It is a great pleasure to be in their company in this House and to have them advise and guide me.

I should also like to thank the Leader of the Opposition (Mr. Clark) for the reception he had for myself and the hon. member for Ottawa-Carleton (Mrs. Pigott) when we were sworn in. It was a great occasion for me and my family. I should like particularly to thank the right hon. member for Prince Albert (Mr. Diefenbaker) and the hon. member for Halifax (Mr. Stanfield), both of whom attended. It was a great privilege to have the former prime minister, the former leader of our party, and the present leader of our party—who will be the next prime minister—present on that occasion.

I do not wish to try the patience of hon. gentlemen opposite, but I want to speak on the restraint of expenditures bill and say that in my view the policy of this government with regard to the restraint of expenditures is a pernicious one, a phony one and one which ignores the realities of life in Canada and ignores the needs of our disadvantaged areas, in particular the Atlantic provinces. It is a policy which I will not support in this House of Commons. I believe, as we all do, that inflation has to be fought. I believe, also, in the concept that expenditures must be restrained. But surely we must look at the various areas of this country and see where expenditures need to be restrained and where they do not need to be restrained as much.

It is beyond my comprehension how any government can restrain expenditures in an area of the country which has an unemployment rate of 13.9 per cent. It is, in fact, positively cruel and inhuman for any government to apply a restraint policy equally across this country as though every section of it is the same. It may be a policy of restraint that is quite apt for provinces like Ontario, Alberta or Saskatchewan, perhaps, where there are now high employment figures, but it is not proper to apply it blindly to Newfoundland which has an unemployment rate of almost 14 per cent.

There are two things on which I should like to speak, Mr. Speaker: the restraint of government expenditures in connection with the services which the government of Canada gives directly to people, and the restraint of the moneys it transfers to other governments in Canada, because in both respects this government is ignoring one of the basic premises on which it was elected in 1968 and since then. I think there were supposed to be two great themes, one being bilingualism and dealing with the French question, and the other the Prime Minister's statement that he would overcome regional disparity. The Prime Minister has not overcome regional disparity one jot or tittle. He has now apparently despaired of that policy and is casting it aside, because no effort is being made now by the government of Canada to try to overcome regional disparity.

I mentioned the unemployment rate in Newfoundland. Construction is down. New car sales are down. There is no recovery there. Payments of unemployment insurance are up. The economy keeps going because of the transfer of payments and pensions and payments in other directions which they are entitled to as are other Canadians.

When we look at government expenditures and compare the two governments, we find that the provincial government is strapped, it does not have great financial resources, and is borrowing what money it can to keep the economy operating in Newfoundland. It is borrowing more than it should to keep some construction and some employment going in the province, while the other government, with unlimited resources, with the Bank of Canada in its captivity and with power over currency and credit, ignores our conditions and treats us in the same manner that it treats every other part of Canada.

We might just look at the record. In 1974-75, DREE spent in Newfoundland, together with the provincial contribution, $67 million. That was two years ago. Last year, 1975-76, the expenditure declined to $62 million, and in the present year, 1976-77, the expenditure has declined to $55 million as the estimated cash flow from the Department of Regional Economic Expansion in Newfoundland. At a time when the government should be expanding its spending, at a time when it has before it many proposals from the government of Newfoundland, at a time when the people in Newfoundland are spending in order to help overcome regional disparity, the federal government has reduced its expenditure by $12 million compared to two years ago.

For the government of Canada to spend the same amount, taking into account inflation, as it spent two years ago it would need to spend $80 million this year in the province of Newfoundland and Labrador through the Department of Regional Economic Expansion. When we look at that department which is supposed to carry out the great policy of overcoming regional disparity, we see that the effort is less, not more, and is considerably less when we take into account inflation. When we look at public works, we see the same thing. The public works agency in Newfoundland of the government of Canada is strangled for funds and unable properly to maintain the facilities it has there because its spending has been cut back and restrained in an area where it should be spending more to

create employment for the 26,000 Newfoundlanders who are out of work.

In respect of small craft and harbours we have the same story. Two years ago, in Newfoundland, the expenditure for small craft and harbours was $6,801,000: that was in 1974-75. In the following year it was reduced to $4,200,000. This year they are spending something like $4 million on small craft and harbour works. There are excellent people in charge of that agency, but they can only perform if they have the money with which to perform. Why would any government cut back the spending on projects like that which create employment and which are useful services needed at a time of high unemployment? That is a question this government should answer. We have cut-backs in DREE, in public works and in small craft and harbours.

One thing I cannot fathom about this government is its parsimonious attitude, its mean attitude with respect to the question of offshore mineral jurisdiction in Newfoundland. When we entered confederation we brought with us the oil and the gas and the claims to the continental shelf which Canada now has. Sixty-five per cent of the whole offshore area on the east coast of Canada was brought into confederation by Newfoundland. If Newfoundland had not joined, Canada would have had to take a back seat at the law of the sea conference. Canada would have no claim to the oil and gas that lie offshore in Labrador and northeast Newfoundland. One would think that the central government would be delighted that a have-not province like Newfoundland would have a chance to become self-sustaining through the development of those resources if that government would recognize our ownership and control of them. But rather than that, the government of Canada says that it owns and controls the natural resources that Newfoundland brought with it into confederation.

The government bases its position on the legal possibilities involved in a case in British Columbia some eight or nine years ago. Why would not the government say it recognizes that the province of Newfoundland, a have-not province, has a great chance to be financially self-sustaining, so that it would not need tax equalization and transfer payments, and welcome that possibility and confirm that the province owns and controls the use of those resources? Rather than that, the government of Canada wants to keep us dependent upon it. It wants to keep us under its power and control. That is the only reason I can see for the policy the government adopts with regard to our main economic chance in Newfoundland. That is why this government has to be changed.

There was no spending by the government of Canada in our province on defence or search and rescue until the last several weeks, as a results of the efforts of hon. member for St. John's East and the hon. member for Humber-St. George's-St. Barbe. The government's transportation policy is brutal with respect to Newfoundland. The letters "CNR" stand for "Canned Newfoundland Railwaymen". Those letters also stand for "Cannibalize the Newfoundland Railway", because the present government of Canada is permitting the CNR to do as it likes in Newfoundland and to lay off men as it likes, to reduce its services as it likes and to force the freight and express traffic on to the highways.

• (1600)

The pitiful little two-lane highway we have across Newfoundland must now endure tremendous quantities of freight and express traffic because the CNR wants to fix the situation so that they can argue to the government of Canada that it need no longer operate a railway in Newfoundland because there are not sufficient goods being transported in that province. Their labour policy is brutal and shameful. There is not an employee of the CNR in Newfoundlad now who knows his job is safe for the next year or for the next five years. There are 3,900 people working in the CNR, in dry dock and rail service in Newfoundland, and not one of them has job security. They have seen the shameful manner in which they have been abused by the CNR in Newfoundland over the last ten years. We will fight that and we will change it when the next government takes over.

Some hon. Members: Hear, hear!

Mr. Crosbie: I should like to speak for a few moments on government to government transactions, I have painted a bad enough record of cutbacks and restraints of expenditures by the government of Canada in Newfoundland when they should be helping to combat our fantastically high rate of unemployment. Many hon. members here do not have the experience I had when I was involved in the political campaign with dozens and dozens, if not hundreds, of men and women coming every day looking for jobs. One cannot find them jobs because there is no new construction and there are no jobs. I know there are abuses of the unemployment insurance system and of the welfare system, but the fact remains that 90 per cent of the unemployed men and women want jobs, they do not want to be sitting idle, they are looking for work in Newfoundland, but the government of Canada is doing little to help them.

What did it do with the Opportunities for Youth program, another program which was cut back? The government is knocking down the Company of Young Canadians in this bill. They became too dangerous or radical for hon. gentlemen opposite. In 1975, in Newfoundland, OFY brought jobs to 2,950 young people, at the cost of $2.8 million. There is nothing wrong with that. It gave people in universities a chance to work in the summer. In 1976 this was eliminated, but not because the unemployment rate had gone down. I do not know the reason. This year we have the same high unemployment, which will be higher in the next few months, yet we are offered a measly $8 million for LIP projects, not even matching the $12 million spent last year. We are offered some $4 million less in Newfoundland, with unemployment just as bad, and likely to be worse. What kind of humanitarian instincts motivate the government opposite? Why do they cut down on the Opportunities for Youth program? Now we hear this palaver of propaganda that it will be replaced by something much better. Let us see it where it counts. I cannot tell my people in St. John's West that there is anything better coming, because it has not been proven to me yet.

These are some of the problems of government-to-person direct programs. The capital winter works program was eliminated. It is bad enough for the government to eliminate the direct services of the government to individuals who live in Newfoundland and in other disadvantaged areas, but now they are going to squeeze provincial governments. They will squeeze the governments of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. I have been lucky enough—or perhaps unlucky enough—to attend most federal-provincial conferences in the last five years. I found in the last two years a noticeable change in attitude. The change is that the government of Canada does not care any longer whether the weaker provinces in Canada sink or swim. They have given up hearing. Every time we look at a government program, we see the squeeze being applied, such as on tax equalization. The government of Canada wants to change that program because expenditures have been escalating more than was originally contemplated. In Newfoundland that is a very important program.

The programs I will speak about now account for 52 per cent of all the revenue of the government of Newfoundland. So the federal government want to change the tax equalization formula, and a few months ago they announced they would change the revenue guarantee program in connection with the reformed income tax structure, and change it retroactively. That will cost Newfoundland $8 million if it goes through. It will cost Ontario a lot more. The Minister of Finance (Mr. Macdonald) is unbending; he will not bend one iota, although I am informed that he is bending slightly now. He will soon be broader bent than Ed Broadbent.

Some hon. Members: Hear, hear!

Mr. Crosbie: The hon. gentleman will have to give, Mr. Speaker, because the government has recognized that across Canada, not only the ordinary people but governments, no matter of what political stripe, whether Liberal, P.C. or NDP, will be called an anathema. They are all fed up with the performance of this government.

First there was the revenue guarantee, then there was medicare. The government of Canada instituted the medicare plan. They followed the example of the hon. gentleman who sits in the House now, the former premier of Saskatchewan. For provinces such as Newfoundland, with our low ratio of doctors, a large part of the expenditure for the first few years came from the government of Canada under the provisions of that plan. But now that is changing. Now we have to pay about 64 per cent of the cost of medicare. Along comes the government which instituted the plan and suggests they will put a ceiling on it.

This government does not have to bargain collectively with CUPE or with other unions which represent hospital workers; it does not have to deal directly with the fantastic increase in hospital costs. Who could argue that hospital wages should not be improved, compared with what they were three or four years ago? So they want to leave hospital insurance to the provinces and they want to leave medicare to the provinces. They put their ceiling on the plans, a ceiling which has no relationship to the cost which the provinces have to bear in operating hospital insurance and medicare for many years to come. The result will be that provinces such as Newfoundland will no longer be able to carry on even the services they now have, much less improve them. If these plans and schemes come into effect, the province of Newfoundland will not be able to maintain its present services because more and more of its budget will have to go into medicare and hospital insurance programs already in effect.

The government of Canada put a ceiling on post-secondary education expenditures. I believe they will permit an increase of up to 15 per cent a year. Last year, post-secondary education cost Newfoundland $1.6 million more than it would have if that arbitrary ceiling had not been imposed. If the federal government had met its original obligation, Newfoundland would have had $1.6 million for those programs. That is not calculated to help the disadvantaged provinces in providing proper post-secondary educational services to their people. So in every direction we look, whether government-to-person or government-to-government programs, the record of the government opposite is a sorry one, and it is getting sorrier every day.

Another change that has brought major consequences with it is with respect to the RCMP. The RCMP is the police force in Newfoundland. Hon. gentlemen opposite are squeezing the government of Newfoundland and other provinces where the RCMP is operating. Formerly they shared 50-50 with the provinces the cost of the services of the RCMP. This year the government wants to change it to 52 per cent. I am sure, Mr. Speaker, that when I said that you thought the government of Canada was going to take 52 per cent itself, that this great big, wealthy and healthy government was going to pay 52 per cent of the cost. Not at all. They are saying to the provinces that they want their share to decrease to 48 per cent, and our share to go up to 52 per cent this year. Next year it will go up another percentage point and this will continue until it reaches 56 per cent. They are not even prepared to continue to pay half the cost of the RCMP in the provinces where they now operate. What kind of policy is that? Of course they need the RCMP. They should have had more RCMP on duty last weekend when 11 prisoners escaped. However, that is another story. We do not know where they are headed for today—probably a polling booth in Quebec. Eleven of them escaped in one weekend alone. If this keeps up another few weekends, there will not be a prisoner left in Canada's prisons. So even with respect to a minor service like the RCMP, the federal government is squeezing the provinces. It does not matter whether one province can less afford it than another; the same policy is being applied to them all.

• (1610)

The former premier of Newfoundland is still actively engaged in politics.

An hon. Member: He is now back with the Liberals.

Mr. Crosbie: We will see what a circus there will be in the next ten months and we will see how long he will stay after the next leadership convention. The hon. gentleman once said that you should not treat Canada like the bed of Procrustes. He always had a very apt illustration. I believe Procrustes was a gentleman who was longer than his bed, and to get people into his bed they had to be broken up. At least, I think that was the point. That is what is happening here. The present government has gone back to the policy of Procrustes, that we all have to suit its mould and we all have to suit its financial restraint programs. That is where it has ended up, and if this policy continues the disadvantaged provinces will be in serious financial straits within the next year or two; there is no question about that.

To come back to transportation, not only is there an attempt to downgrade our services, but the Minister of Transport (Mr. Lang), with unparalleled arrogance, last July whipped out from under the jurisdiction of our public utilities commission the CN buses which operate in Newfoundland. Hon. gentleman will remember that a few years ago the Liberal government of Newfoundland agreed that if the government of Canada helped finance the TransCanada Highway, and finally gave 90 per cent of the cost, they could phase out the CNR passenger service and replace it with a bus service. It was agreed that the buses would come under the jurisdiction of the Newfoundland board of commissioners of public utilities for regulation purposes, and that continued. In fact, there were appeals, even to the Supreme Court of Canada which confirmed that. However, a few months ago the CN tried to raise its bus rates in Newfoundland by 130 per cent—and there is no rail passenger service left—but the board of commissioners of the public utilities reduced that increase to 30 per cent or 32 per cent.

The response from the Minister of Transport, the bionic minister who is headed for $6 million in travelling expenses before this operation ceases, was to snatch the buses out from under the control of our public utilities commission without any warning or consultation. He passed an order in council and put them under the Canadian Transport Commission. They will certainly have a cosy nest under the arm of the CTC, which knows nothing of conditions in Newfoundland, which could not care less, and which is 1,600 miles away. Of course, we know who the chairman of the CTC is and from which ministry he came. This is unparalleled in the history of Canada. The government thinks that Newfoundland is a small, puny little province which is afraid, which will not fight back and which can be treated with contempt and arrogance. The government thinks that Newfoundland does not matter, that the people in central Canada will not know about it and that they are the only ones who count.

The thing which matters to the government is how it can put itself over on the media in Ontario and Quebec. Newfoundland and its problems are booted around and do not get much attention here; but Newfoundland is going to get some attention as long as I can be heard in this House of Commons.

Some hon. Members: Hear, hear!

Mr. Crosbie: In every way the record of this government with regard to transportation in Newfoundland is terrible. I said today that I would not criticize my hon. colleague for Burin-Burgeo, the Secretary of State for External Affairs. I will pass over his misdeeds and misdemeanours and leave that for another occasion. I will pass over how things have been arranged so that Port aux Basques gets all the transportation money in Newfoundland, and St. John's West, St. John's East, Gander, Twillingate, Bonavista, Trinity and Conception and the rest get the left-overs. That is something I will expand upon on another occasion; I do not want to mention it today. I am not sure what the time limit is in this House.

Some hon. Members: Go ahead.

Mr. Crosbie: I do not want to be partisan.

Some hon. Members: Oh, oh!

Mr. Crosbie: I thank hon. gentlemen opposite for being so quiet while I am making this speech. After this, of course, I expect no mercy. The record of the government is a sorry one, one which has to be changed. It is too late for the government to change its ways. There is no way it will survive the wrath of the electorate when it comes to meet its maker in the next 18 months.

Some hon. Members: Hear, hear!

Mr. Crosbie: I believe the facts I have laid before the House today should illustrate that the present government is arrogant, lacks feeling, is unbending, is uncaring and casually assumes its own superiority. That is its hallmark. The government assumes that it is superior and that it will be here forever. The government will be disabused of that notion very shortly. The government is cynical. It first fights against wage and price controls and brings them in 16 months later. That is what disturbs the people of this country. They are not disturbed by wage and price controls themselves.

This reminds me how delighted I was to see Premier Blakeney of Saskatchewan when I was in Saskatoon this weekend. He admonished the federation of labour out there and told them that as a socialist he believed in a planned economy and that a planned economy meant controls on income. He asked the federation why it was fussing so much about wage controls, because a true socialist believes in income controls. All this charade of labour unions across the country beating their gums about wage and price controls, when the NDP supports it, is but a laugh. They do not understand that the party they support supports controls on income and if that party ever gets into power we will have our incomes controlled; there are no two ways about that. Premier Blakeney of Saskatchewan is a clear-thinking man who says what he believes, and he made it quite clear what he believes in. In my opinion, he put the union people out there in their place. What tripe for them to support the NDP and then fight against an income controls program. They can fight against this House and the ministers, but not against the concept of the program.

We accuse the government of this country of economic mismanagement, and we accuse the government of giving up the attempt to overcome regional disparity, as I mentioned when I started. This is not a new situation; it is the same kind of situation as that which existed in 1957. In 1957 there was a confident, smug Liberal government which thought it was destined to rule forever. Mr. St. Laurent and his colleagues went to the people of Canada, and the right hon. member for Prince Albert led the revolution of revulsion which had been brewing and simmering in the people of Canada for the previous couple of years and swept them out of office. The right hon. member for Prince Albert was from Alberta—

Some hon. Members: Saskatchewan.

Mr. Crosbie: —and in a year or two years, or perhaps 15 months—it cannot come too quickly; perhaps it will come during the winter or spring—the hon. member for Rocky Mountain will lead another revolution of revulsion.

Some hon. Members: Hear, hear!

An hon. Member: No partisan speeches.

Mr. Crosbie: My next speech in this House will be from the other side.

An hon. Member: Is that all the speeches you are going to make?

An hon. Member: Are you going to change party again?

Mr. Crosbie: Hon. gentlemen opposite have enough of a leadership problem. The worm soon turns. I do not believe that the main issue in Canada is bilingualism, and the people of Canada do not believe that. We are not going to be fooled by it; we are not going to have the wool pulled over our eyes. The people of central Canada may visualize that as the main problem, but they are fooling themselves. We in Newfoundland believe in the policy of bilingualism, but our belief in that policy has not helped our energy differences with the province of Quebec. Bilingualism does not help us there; it is a problem of provincial or interprovincial politics. We do not think bilingualism is a problem.

• (1620)

I believe that the problems are, first, the nature of Canadian federalism. Are we going to have a unitary state, as the Prime Minister and the government seem to be heading toward? They are at full gallop toward having all power centred in Ottawa. That is the impact of their policies. They do not care about the regions, or want strong regions. That is the true nature of federalism. Are we going to have an overwhelmingly strong federal government with five or six weak counties and a couple of strong provinces, or a true federal state? That issue will be decided in the next election, as our leader believes in the second alternative.

Overcoming unemployment is another problem and it is much greater than bilingualism. It is true that 7.6 per cent unemployment may not be a fantastic rate across Canada when you take into account that today there are a lot of two-job families with women working, and so on. These excuses can put unemployment to 14 per cent, but unemployment in any part of the country is unforgivable and there have to be ways of overcoming regional unemployment. That is why in St. John's West, on October 14, the New Democratic Party candidate did so well. It is why I was elected, and why the Liberal candidate was completely trodden underfoot with only 16 per cent of the vote in a province that has been Liberal since confederation. It is a sign of what is to come, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: That is the true nature of Canadian federalism, Mr. Speaker. There is the question of overcoming unemployment and keeping inflation under control. No area of this country should come anywhere near 14 per cent unemployment. The third problem is regional disparity. The government is tired of wrestling with that difficult problem, but hon. members over here want a chance to grapple with it. The right hon. member for Prince Albert made a breakthrough when he was in power, and this party is ready to tackle that problem again and overcome it.

The fourth problem is to make Canada productive again. I put that well ahead of bilingualism. The so-called Canadian nationalism is, in my view, merely a reflection of Ontario provincialism. We are supposed to be Canadian nationalists over whatever issues excite the people of Ontario. But they are provincial in their view and think that the Foreign Investment Review Act and such things are the greatest issues that interest the people of Canada. But they are far more interested in the things I have mentioned.

In concluding, Mr. Speaker, I should like to thank hon. members for being so patient. I know I may have been a bit more partisan than was expected, but the people of St. John's West have not had a voice here for 14 months because the Prime Minister shivered and shook in his boots.

Some hon. Members: Hear, hear!

Mr. Crosbie: They have not elected me to come here and be quiet for the next six months. Their problems are too great, Mr. Speaker, and I am going to express those problems here, as will members opposite and members on this side. In Newfoundland, 530,000 people feel aggrieved because they have not been looked after properly by the federal government. They think it has gone off the rails. They are concerned about bilingualism, about feeding their families, about having jobs, proper services and transportation, and about keeping the jobs they have. Those are the things on their minds, not bilingualism. They are prepared to deal with that question, too, but after the more fundamental things.

If the government keep on with its present policies of restricting expenditures as illustrated by this bill, if they continue with their policy of squeezing the provinces as they are doing at the federal-provincial conferences, then in New-

foundland the theme song is going to be "Throw out the lifeline". Someone is going to have to rescue them, and that is going to be the hon. member for Rocky Mountain when he forms the next government.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to congratulate the hon. member for St. John's West (Mr. Crosbie) on his maiden speech. It seemed to me to exhibit both poise and expertise, but hardly the undue modesty that one attributes to maidens.

Some hon. Members: Hear, hear!

Mr. Brewin: Bill C-19 is entitled an act to amend or repeal certain statutes to enable restraint of government expenditures. The very basis of the bill is the obligation of the government to restrain spending. In the days of inflation this is obviously a desirable and urgent objective, but the restraint must be applied in the right places in order not to destroy constructive efforts to expand production or cause great hardship to those who can bear it least. My colleagues have discussed the detailed provisions of the bill and I should like to deal with a related matter which is not covered by the bill itself, that is, the whole question of restraint in government spending in the area of defence.

The point I wish to emphasize is that restraint in connection with government expenditures on unnecessary defence installations should be given serious consideration. The tendency of nearly all modern governments—and not only governments but the press and some parts of the public—is to treat government expenditures on defence as sacrosanct, that is, touch everything else but do not touch defence expenditures. It is not a popular subject, but it is an important one. On the other hand, I suggest there is no more inflationary expenditure than that on defence. It produces no consumer goods and does not produce extra goods. As we have all observed, defence spending has a self-perpetuating tendency. Defence installations go on and defence alliances go on whether they are necessary or unnecessary. I think this is a subject which requires careful consideration.

In Canada, not only have we embarked already upon substantial expenditures for military purposes whose usefulness may be doubtful, but the former minister of national defence spoke triumphantly in this House about a year ago saying that his department was not to be subject to a ceiling on expenditures but was to be allowed an increased capital expenditure of 12 per cent per annum for five years. I suggest that was clearly inflationary.

The tendency is the past has been to make these expenditures taboo and not a subject for discussion. The Standing Committee on External Affairs and National Defence can examine the details, but in this chamber in the past, with the governments we have had, there has been no tendency to consult with that committee on the major projects that are contemplated. A notorious example is the purchase of the Orion, the LRPA, from the Lockheed Corporation. This was sprung on the Canadian people, with a minimum of discussion about its basic purpose, at a price that turned out to be over $1 billion. There was a lot of discussion about the details and the ineptitude exhibited in handling the negotiations by the government which did not have a word in writing.

There has also been discussion throughout the world about the mismanagement in Lockheed and its worldwide system of bribery. I hasten to add, Mr. Speaker, that no one suggested any Canadian was bribed. It would appear that our defence department was ready to accept the advice of American officials with an interest in the financial stability of Lockheed without serious question. The fact is that the Orion had different purposes and roles. One major role assigned to it was participation in long-range and submarine warfare in the Atlantic. The scenario provided for an attack by superior conventional forces of the U.S.S.R. and Warsaw pact in Europe, followed by a protracted war in Europe in which the North American continent would seek to send supplies by ship to Europe. This method of supply would be countered by submarine warfare in the North Atlantic. It was proposed that long-range patrol aircraft could be used to fly across the Atlantic to detect and destroy submarines and thereby protect the sea lanes of the Atlantic.

● (1630)

The weakness of this scenario is that it is hardly credible. It is most unlikely that such a war would emerge in the missile age. Indeed, in the two great wars fought in the past the containment of the submarine menace was of the utmost importance, and strenuous measures were taken for dealing with submarines. It would be a grave mistake to transfer to the present day the thinking which applied to the totally different circumstances existing during those wars. It is hard to believe that if, as assumed, the U.S.S.R. were to launch even a partially successful attack on Europe, the war would not quickly develop into a nuclear war.

This situation has been foreseen. For example Air Vice-Marshall Stewart Menaul, head of the Royal United Services Institute for Defence Studies, London, says that present NATO strategy means that only immediate use of nuclear weapons would stop a Warsaw pact assault. In the series called "Power at Sea," one of the Adelphi papers submitted by the institute of strategic studies—by Professor Hedley Bull who is well known in the field—analysed what small powers can do in naval warfare and recommended that their role should be the defence of coastal waters and fishing zones out to the anticipated 200-mile limit. By the same token, he gives reasons for thinking that extended submarine warfare is not a suitable role for the forces of a small or medium power. So far as Canada is concerned, preparation for this sort of submarine warfare is a waste of time and money. In addition, we are committed to spend some $184 million on German Leopard tanks which are to be used mostly in the central plains of Europe. If it is necessary for Canada to continue this role, perhaps that is a reasonable expenditure. In any event, that proposition, too, requires review either by parliament or the defence committee.

The former minister of national defence, the hon. member for Winnipeg South (Mr. Richardson) made it clear that Canada is interested in substantial purchases of fighter aircraft. I hear that the government contemplates spending approximately another $1 billion on this item. I hope that the newly appointed Minister of National Defence (Mr. Danson), who is not now in the House and whom I congratulate on his appointment, will review not only the capital spending plans as set out in our defence proposals but will make to parliament or to the defence committee a complete statement with regard to Canada's future spending plans in this field. We have never heard such statements made in the past.

If such plans have been worked out within the Department of National Defence, and no doubt they have been, they should be brought forward by the minister for consideration. I hope that our newly appointed Minister of National Defence will bear in mind the white paper on defence which was published when the present Minister of Finance (Mr. Macdonald) was minister of national defence in August, 1971. It purported to set out the priorities for Canada's defence expenditures. Indeed, the priorities of defence policy were issued by the Prime Minister (Mr. Trudeau) on April 3, 1969. They included quite properly, as the first item, the surveillance of our own territory and coast lines, that is, protection of our sovereignty; the defence of North America in co-operation with U.S. forces; the fulfilment of such NATO commitments as may be agreed upon; and the performance of such international peacekeeping roles as we may from time to time assume.

A major chapter in the white paper on defence deals with the protection of Canada and the surveillance required and points out how essential this is not only to ourselves but to our allies as well. The same chapter deals with the defence of North America and speaks of the only military threat to Canada as being that of a large-scale nuclear attack on North America. The only answer to such threat is the threat of retaliation. Canada's contribution in that field is confined to providing surveillance and early warning. The manned bomber defence is no longer needed and is rightly given low priority in the missile age in which an attack by manned bombers would be almost unthinkable.

Not only Canada should take a careful look at defence expenditure. The whole world is demonstrating a collective insanity in arms expenditure. Estimates of total, worldwide expenditure in arms vary from $300 billion a year to $350 billion a year. As Barbara Ward said so clearly in her book, we require a fraction of that sum to meet basic essentials for humanity; the arms expenditures are distorted. In her book, "The Home of Man", published at the time of Habitat, she deals with the cost of meeting some essential needs. She puts forward estimates which the World Bank made some time ago. She says that worldwide we would need to spend $42 billion on food and nutrition; $25 billion on rural and urban water supplies; $28 billion on urban housing; $16 billion on urban transport; $8 billion on population and health programs—altogether, about $125 billion over ten years or $12.5 billion a year on all these items.

[Mr. Brewin.]

We can compare that sum with the $300 billion to $350 billion the world spends annually on arms and see that relatively small amounts of money need to be spent to change the lives of people who are not properly fed, not properly educated, who are unhealthy and scourged by sickness. When we consider how little, relatively, we need to spend in the world to correct these problems and how much we spend in the world on arms, it is not difficult to see why Barbara Ward said that expenditures on arms are unwarranted and badly distorted.

Let me make it clear that I do not advocate that troops to which we have assigned various roles should not be adequately equipped, trained and remunerated. I am advocating a far more searching and open look by the government, parliament—indeed, by the people of Canada—into the roles and priorities we choose. I hope the government will reconsider giving carte blanche to the armed services to break through restraints and so free their expenditures. It is one thing to take account of inflationary developments, but it is quite another to add to the consequences of inflation the additional figure of 12 per cent for capital defence expenditures per annum for at least five years. The figure would be cumulative. Clearly, it would be inflationary, and a review of this figure would do more to restrain expenditures than any other measure proposed in this bill.

● (1640)

When you make the sort of speech I have made, some people try to scare you about Soviet defence expenditures, saying you have to meet that. Very distinguished people, including the Secretary General of NATO, are not immune from this tendency. They try to frighten us with this sort of talk. I have a very interesting article taken from the Washington *Post* and published in the *Manchester Guardian*. It was published on October 17 of this year, so it is up to date. I wish to read it:

> The Soviet Union is spending much more on defence and armaments than previously realized, but lags far behind the United States in military technology, and industrial and agricultural capacity, according to new U.S. intelligence estimates released last week.
>
> In congressional testimony, directors of the Central and Defence Intelligence Agencies described a Soviet Union which cannot feed itself, which is technologically backward, which is suffering through a sort of Soviet-style recession, but which nevertheless is outspending the U.S. on defence by a large margin.
>
> Neither agency—

There are two agencies referred to that gave evidence to the United States Senate committee.

> —claimed that Soviet spending has actually endangered U.S. security, and George Bush, director of the CIA, emphasized that the upward revision of CIA estimates of the Russians' defence spending did not mean their defence programs were bigger than previously realized. An important explanation for the upward revisions, the CIA said, is the apparent fact that "Soviet defence industries are less efficient than we formerly believed... about half as efficient as we thought."

It goes on to give some figures.

> The agency's new estimates are based on new information, some presumably from recent Soviet emigrants who have worked in Soviet military industries.
>
> Bush told Senator William Proxmire's subcommittee that the Soviet Union does not have a single weapons system which is technologically superior to a U.S. system.

On the other hand, Bush said, the U.S. has many weapons systems that the Russians cannot duplicate.

That is enough to illustrate my point. It is not that these figures are necessarily correct. They may well be wrong. It is not that we should close our eyes, drop our guard, or any other expression you want to use with regard to a careful study of what is required—an awareness. We live in a world that could turn very hostile. Therefore, I am not asking that that be done. What I am asking is that we do not rush into every heavy expenditure proposed by certain defence sources merely because of some panic created about what is supposed to be the situation in the U.S.S.R.

I conclude by making an appeal to the House, especially the Minister of National Defence, to start a new era in this matter of defence spending, an era in which the policies of the government shall be open. I know there are secrets that cannot be divulged, secrets that have military significance. However, the over-all purpose and the over-all role we have to play can well be discussed by intelligent people. There is a lot of expertise required in this field. People who know what they are talking about have often stated that intelligent people directing their minds to these matters can come up with rational, common sense and worth while conclusions. We in this House have not been given the opportunity to do so.

I hope the new Minister of National Defence will usher in a new era, partly through the committee and partly through statements in this House. I hope he will make sure that what we do is needed to be done, that the people of Canada understand why it is being done and, if it is not necessary, the restraint which we urge in other fields will be applied in this field as well.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, I wish to congratulate the hon. member for Saint John's West (Mr. Crosbie) on his maiden speech. I can honestly say that I have a certain affinity with the hon. member. Coming from British Columbia, we are used to the idea of people changing political parties like they change their socks. Therefore, I can understand the hon. member for Saint John's West. I hope that hon. member follows the example of Joey Smallwood who, as a Liberal, brought Newfoundland into confederation. He wavered at some point, but recently announced he has rediscovered that the Liberal party is the party of mainstream Canada, and he has rejoined that party. I only hope the hon. member for Saint John's West will have a similar happy reconversion in his political life. He will find out that the Liberals are a forgiving party and do not hold animosity against people who wish to change their party at any given time.

I wish to comment briefly on a particular point raised by the hon. member for Saint John's West. He discussed where DREE money goes within his very beautiful province. If I am not mistaken, the hon. member was a former finance minister in the province of Newfoundland. It is the provinces which decide where DREE money will go. They set the priorities. Therefore, the hon. member for Saint John's West is criticizing himself for not having put DREE money in the right areas of that province. I have had similar experience with the province of British Columbia. I cannot get a sou of DREE money on Vancouver Island. It is not because the federal government will not pay it; it is because it is not a priority of the provincial government. The hon. member spoke about DREE money going into certain constituencies. That amazes me, because obviously it was his government that put it there. I realize this was his maiden speech, but I had to make a few comments regarding his remarks. It is not being done with any malicious intent, but merely to set the record straight. It is the province that sets the priorities, not the federal government.

If I had my way, I would like to have a lot more say about where this money is spent, rather than have the provinces have all the control over how the taxpayers' money of Canada is spent within the provinces. I may be from Missouri, but I sometimes wonder if the provinces are being honest on occasion in putting money into areas that might meet their priorities for several reasons but are not in the best interests of their provinces, at least from the federal point of view. If we are going to spend money in the provinces, we should have a lot more say than we have had in the past.

I do not like to see members come here, especially an ex-minister of finance of a province, and say that the federal government is directing it, when the truth is exactly the opposite. As a former minister of finance, the hon. member for Saint John's West would have had more say about this than probably any other cabinet minister in that particular government. I wanted to make those few remarks before dealing with Bill C-19.

I, too, would like to express the problem that I have as a new member of parliament. Whether you are a new or an old member of parliament, or whether you are in provincial or municipal politics, I am sure one meets the same problem. Day after day the opposition chastises the government for spending too much money. They ask why the federal government has such an enormous budget which has grown by 300 per cent in the past ten years. They say that if they were in power they would certainly do something about it. They say they would bring in legislation which would do one of two things. The hon. member for St. John's West says we do not spend enough money in his area. However, generally speaking, the position taken by the official opposition is that we should cut down the amount of money spent by government and be more prudent with the taxpayers' money. But whenever we do this members over there complain we are at fault and should, rather, be making our economies in some other direction.

● (1650)

Is this politically honest, when a definite effort is made to restrain government spending? Surely the opposition should cheer these efforts and pound their desks. Or is it a fact that the Leader of the Opposition (Mr. Clark) has so far failed to produce a policy? Are members over there still trying to decide where they stand? Must we wait two more years until they come up with an answer? At least the official opposition should have the courtesy to let us know whether or not they

have made up their minds. I do not care which way they decide to go; I only wish they would go one way or the other. The people of Canada expect the opposition to take a stand on questions of national interest. I do not think the people are getting a fair deal from the official opposition at this time. I suspect they are taking money under false pretences. As an official opposition, members over there have a duty not only to oppose but to offer constructive criticism. I have been listening to this debate for several days and I have not heard a single concrete suggestion from over there. How is it possible to carry on a debate when only one side has a position?

Some hon. Members: Hear, hear!

Mr. Anderson: I should like to take a few moments to discuss one of the clauses of Bill C-19 which has to do with family allowances. Instead of being negative, perhaps one of the speakers for the Conservative party would like to comment on the question whether the government should be tying family allowances in with family income; in other words, whether a family with an income of $50,000 a year or more should be getting a family allowance amounting to $22 or $23, or whatever it is, as opposed to a family with an income of around $7,000 a year.

We have set precedents in the past under the old age pension program and other government programs. We recognize that some people have less money than others, and we say to them, "When it comes to federal funding, we shall place the main emphasis on the needs of those with lower incomes." We do not give equivalent grants of money to those who have been successful in life. Rather, we have concentrated on those who, in many cases through no fault of their own, have lost the ability to make the same kind of income as more fortunate citizens enjoy.

What does the official opposition say about this? It would obviously be possible to save money by withdrawing the allowance from high income earners and redistributing it among families which are finding real difficulty in meeting the burden of inflation, families in which the breadwinner might have serious problems about holding a job in present economic circumstances. I wonder, Mr. Speaker, whether it would not be better for us to address ourselves to this problem rather than to the question whether the $22 should be frozen or not. Ought we not to be asking ourselves whether the money which is presently going into the economy under this plan is being used to the best possible advantage? Speaking for myself, I have some doubt as to whether this money is being directed to those who most require it.

We all know that the costs of raising a family have increased tremendously in the last few years. Young people starting out in marriage today often decide that both shall work for the first five or ten years, not because the wife particularly wants to go out to work, or because the husband wants to come home and cook TV dinners, but because it is very costly to bring up a family during times of inflation. If we accept this situation, should we not be asking ourselves, as members of parliament, whether the many millions of dollars which go out in the form of family allowances are going to the right people? Is the present egalitarian basis of distribution, in accordance with which the same amount is sent to everyone, regardless of income, in direct proportion to the number of children in a family, really in the interests of those who could best use a helping hand in the raising of their families?

Some hon. Members: Five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Veterans Affairs; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Statistics Canada; the hon. member for St. John's West (Mr. Crosbie)—Energy.

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

PRIVATE MEMBERS' MOTIONS

[*English*]

CAPITAL PUNISHMENT

SUGGESTED HOLDING OF NATIONAL REFERENDUM

Mr. Benno Friesen (Surrey-White Rock) moved:

That, in the opinion of this House, the government should consider holding a national referendum for the purpose of making a survey of public opinion on the issue of capital punishment at the time of the next federal election.

● (1700)

He said: Mr. Speaker, I have submitted this motion to the House because I believe that many Canadians feel they were betrayed by parliament last summer. Never before has there been such a consistently uniform expression to all members of parliament by their electorate as on the issue of capital punishment. For about the past five years every reliable indicator has shown that about 80 per cent of the Canadian people wanted to see a return of the death penalty. Members of the House were fully aware of this desire, yet chose not to ignore it but to recognize it and then to override it. This is why people all across Canada today feel that their elected representatives have betrayed them.

The Liberal government achieved the majority vote it sought on that issue by using the age-old tactic of the decoy and thereby fragment the opposition. The Liberal cabinet voted as a block and were, in fact, expected to show solidarity behind a government-sponsored bill; but each other member of the House, on the surface at least, was supposed to vote independently. This gave the government not only the advantage of an immediate block of about 28 votes but also the influence of that block for persuading others.

The decoy strategy centred on promoting the idea of a "free" vote or "conscience" vote, incidentally thereby absurdly implying that none of the other votes taken in parliament are either "free" or "conscience" votes. In my mind, Mr. Speaker, this is what has destroyed the respect Canadians ought to have for the institution and the elected members who make up this body. It is this superseding of private wishes over the wishes of the Canadian people that is making every thinking and feeling elector distrust all those men and women who run for public office.

I can well imagine that during the 1974 election every member of this House, in one way or another, said to their electorates, "Vote for me; I want to be your representative in Ottawa". Two years later they had their greatest chance. They were faced with a vote that was openly non-partisan, a vote that gave them the clear opportunity to represent the wishes of their constituents without any prior commitment to any party policy. Every member was aware of the numerous national polls on this subject; probably all members had approximately the same ratio indicated in their mail when the public was speaking out on this issue. The government, faced with this reality, had to find some way to defeat the will of the majority. They found it by declaring that the vote on capital punishment would be a "conscience" vote, again implying that members do not exercise their conscience on any other votes.

So the debate on capital punishment as a subject itself was really an exercise of diminishing importance, except for the very important factor of providing the electors with information on how each member established his position and justified his vote. In the end, the vote was really not on capital punishment as much as it was a test of whether or not parliament was an expression of the will of the people. Clearly, we failed. We failed because all of us, to one degree or another, bought the validity of the concept of the free vote. Faced with the choice of representing their electors or representing themselves, many chose to represent themselves.

I said during the debate that such a response was nothing but elitism. It is, in effect, saying that regardless of what the majority of Canadians think on this issue, and regardless of how definitively they have expressed themselves on it, the members here know better and, therefore, can override the will of the majority. I am not forgetting, Mr. Speaker, that sometimes this is the case, that it is in fact the job of the member to study issues in detail, to use all the resources at his disposal, resources that may not be available to the general public, and then as a result perhaps arrive at conclusions that are unpopular and possibly misunderstood. But the issue of capital punishment has been the most talked about, the most studied, and the most thought-out issue by the public in recent years. The public was not uninformed or unthinking on this issue.

Is it not curious, Mr. Speaker, that when the Liberal government were elected in 1974, they took pride in how intelligent and insightful the electors were in choosing them to govern, yet within two years they were saying that those same electors, who two years previously were so smart, were now so dumb they could not be trusted with such an issue. I think the public now knows it has been used, that it has been had. Is it any wonder we face a problem of voter apathy in this country? Too many voters have been convinced by such decisions as this one, isolated from the will of the voting public, that such candidates and members of parliament come to them only out of necessity at election time. Such actions by parliament have convinced voters that their vote will have no real effect on the destiny of Canada.

I know that those who disagree with what I am saying will counter by saying, in effect, "What do you want a member of parliament to be, an automaton, slavishly repeating what he has been told by a partially or ill-informed public? Are we to have parliament made up of a delegate system, where members go home to a committee to receive instructions as to how they should vote, making parliament a kind of council of supreme Soviets, or presidium or, at best, a convention? Not at all; that is nothing but argument by the ridiculous; and the Canadian people don't expect that: they expect members of this House to be capable of intelligent and independent decision-making. But they also expect to be listened to and to be heard, and heard in earnest. Also, they expect honesty at election time. If candidates and members plan to ignore or disregard the will of their electors once they are elected, they should be honest enough to say so at the time.

If ignoring the will of the majority can be justified in any way at all, then why, pray, go through the expense and ritual of redistribution? Why enlarge the scale of possibilities to disillusion the electorate? This House seems to be perfectly capable of acting autocratically with its present size. Presumably we plan to enlarge the House to give better representation to the Canadian people. Presumably the additional members will permit all of us to get closer to the people and thereby get a better indication of the wishes of the people. But, Mr. Speaker, with this kind of rationale, all the increased size of the House will provide is an increased number of opportunities to disillusion our people.

For the past two years members of the cabinet have been travelling across Canada trying to get a consensus from various sectors of our economy. The Minister of Finance (Mr. Macdonald) has been seeking this for the government's anti-inflation program. The former minister of finance met with groups of business leaders all across Canada trying to enlist them in a voluntary restraint program. The Minister of Labour (Mr. Munro) has been seeking the same kind of co-operation from labour leaders.

No one would agree that this is not important or that the approach is not a useful one. But why does the government

take this approach only on economic issues? Why not get a much broader consensus on so-called moral issues? There is precedent for it. The Mackenzie King government had a referendum on the issue of conscription during World War II. It could be done again on this issue.

I do not think anyone wants to see government by referendum. Members of this House have been elected to be decision-makers. But on this issue I believe parliament has won the distrust of the Canadian people by disregarding their wishes. I see no other way to restore the confidence of the people that parliament deserves. I see no other way but to give them a direct and personal voice on this decision. Let them decide by referendum. This will relieve parliament of the onerous burden it now bears. If the people vote in favour of the death penalty, they will also carry the responsibility. If they reject it, they join themselves to the present decision. Either way, they will at least know that the will of the majority rules.

One last point, Mr. Speaker. In a democracy it is easy to be caught up with the notion that the majority is right. It may be, but not necessarily. In fact, in some cases it is probably not. "Broad is the road that leads to destruction and many there be that go in thereat". As a matter of fact, the majority of the world is now under totalitarian rule, but does that make it right? Obviously not. While we must always be concerned with the rightness of issues, and wrestle with them in a democracy and make our individual decisions on the basis of what we think is right, it is the majority which rules, not the rightness of the majority. And the majority has the right even to be wrong. Obviously the majority exercised that right at the last election.

In my maiden speech in this House just over two years ago I referred to the statement and the concern of John Stuart Mill, that great Liberal member of the British House of Commons 100 years ago. Always concerned that government should always be sensitive to the rights and feelings of minority groups, he spoke out strongly about the tyranny of the majority. But on the vote on capital punishment this concern has been reversed. We must now worry about the tyranny of the minority over the majority. It is time that the so-called "conscience" vote of the members was transferred to the collective conscience of the Canadian people.

• (1710)

Mr. Speaker, in my opinion the people of Canada deserve to have, and must have, confidence in parliament. They have lost it. I believe a referendum on this issue at the next election would go a long way to restoring that confidence. I trust the government will give the people that opportunity. I believe it is fortuitous that the one who will respond to this motion is the hon. member for Vancouver East (Mr. Lee) who also voted in favour of capital punishment and who, therefore, I believe will support me in this motion.

[*Translation*]

Mr. Claude-André Lachance (Lafontaine-Rosemont): Mr. Speaker, first of all may I say that I am very happy the hon. member for Surrey-White Rock (Mr. Friesen) introduced this motion, because there was an explosive situation threatening this House and I hope we will take drastic measures this afternoon to overcome the crisis.

I think I should explain why I am speaking this afternoon and the context in which I do so. Indeed I have taken part in the deliberations of the Committee on Procedure and Organization when it was considering the matter of parliamentary reform. I then said that since the procedure followed for private members' business, was so outdated, I had decided that as long as the House did not accept to amend this procedure, I would participate as little as possible in the private members' business hour.

As a matter of fact, I think I must now correct this statement a little. I intend to stick to my remarks about bills introduced during private members' business hour, special business reserved to members, and I think that in the case of notices of motions, as the one introduced by the hon. member for Surrey-White Rock, the situation is somewhat different and that the procedure such as it is, with all its faults, is valuable for these motions. When it comes to bills, though, I think that to make this hour really meaningful, the amendment proposed by the Committee on Procedure and Organization should be passed by the House.

This aside being over, I would like now to concentrate on the contents of this motion which, under a rather naïve, even oversimplistic appearance, is in my view a real menace for our institutions and more particularly our electoral process. In fact if one cannot object to the idea of a referendum to find out and probe the majority opinion on this issue, I still think that the framework within which this motion is presented is a serious danger. I shall return to this point shortly when I draw a parallel with the present Quebec situation, in which, with the polarisation of votes, as far as a referendum is concerned, we end up by distorting the electoral process, that is the fundamentals of our institutions.

As far as the contents of the motion is concerned, as I said previously, I have nothing against it. It amounts to going directly to the people to find out what they think about the death penalty. As far as I am concerned, as far as my party is concerned, I do not share the same preoccupations as the hon. member for Surrey-White Rock (Mr. Friesen). I think and I hope that the House has solved this problem once for all. We are the representatives elected by the population. I think we have the responsibility to act on behalf of the population, when the need arises. We do so each day in the House, especially on the questions which are debated here, as finances, consumption, the protection of the consumer, justice. By the way, we acted similarly as far as the death penalty was concerned and, again, I say I do not make the same reservations as the hon. member when he said that the decision that the House took on the subject of the death penalty was almost an abdication in the face of undue pressure from inside or outside. I think most hon. members took the decision in their own conscience, taking into account the pros and cons and I for one accept this decision, whichever way I voted on that question.

[Mr. Friesen.]

Consequently, the hon. member wants to leave it to the citizens for them to decide, for them to reverse the decision of the House, if they really decide to reverse it, for them to overrule the elected government, for them to take the place of their own members of parliament, in order to take an extremely serious decision, with multiple consequences, as human lives are at stake, and, without willing to come back on the substance of a very long debate we had in the House on that question, I will say once again that, as far as I am concerned, this question has been solved, members of all parties have presented their arguments to each other during the debate. I think that everything has been said on this subject and there is no need to start again an extremely emotional debate on the death penalty.

This being said, I am not opposed to the motion of the hon. member for Surrey-White Rock on a matter of substance but rather on a matter of form because it is the form of the motion that is dangerous in these circumstances. Let us read it again. It is important! The hon. member proposes:

That in the opinion of this House the government should consider holding a national referendum for the purpose of making a survey of public opinion on the issue of capital punishment at the time of the next federal election.

There are two extremely important words, "national referendum" and there is also the words "at the time of the next federal election". Let us talk first about the referendum. Canada has never made it a tradition to hold referendums. Certain societies, certain systems are used to this practice of referendums but it necessitate a high degree of discipline, that we be highly accustomed to the process of referendums, that the population be very mature, and as this system has not been used regularly in Canada, I do not think it would be appropriate to use such a dangerous tool, because a referendum is very dangerous, it can divide the population into two clans, two factions, and afterwards it is extremely difficult to heal the wounds.

● (1720)

So I do not think that in our system the technique of referendum should be used to settle once and for all such a fundamental, emotive and personal problem as capital punishment is. Indeed, Mr. Speaker, the capital punishment issue is one that is settled here, within one's heart; this is not something which can be reasoned. One has to weigh the pros and cons and decide whether he is prepared or not to sacrifice a human life for such and such reason. Some say yes, and I respect their opinion. Some say no. I am one of them, and I also think that this opinion should be respected by those in the opposite faction.

But if this debate is transferred to the public place, I can imagine what will happen. We will see the professional opinion makers come and go across the country with petitions, buy full pages in newspapers, and try to fill the debate with emotion. And how can you expect an individual who has certainly other things to do to examine all possibilities and choose among other alternatives, how can you expect him to come up with an enlightened decision on a situation such as this, when he is the object of conflicting opinions and excessive advertisement. Again, there is evidence of this in other jurisdictions, whenever there is a referendum—and I am referring here to the entry of Great Britain in the European Common Market—there is absolutely unheard of propaganda from both sides.

How can you expect an individual to come up with an enlightened decision when he is the object, as undoubtedly he will be, with conflicting opinions? I put myself in his place and I say that this is impossible. Of course, under the present circumstances and in view of his own perception of events, with bloody titles published every day in newspapers and broadcasted by the news media, which, as a matter of fact, are to be blamed for stirring the emotions of the public. How anyone, Mr. Speaker, can expect the individuals concerned to reach an enlightened decision is beyond me.

The hon. member alluded to some statistics a while ago. I could quote him others, but it is a fact, I believe, that in the present situation, according to the information at our disposal, the majority of the people seem to be in favour of capital punishment. That is true. Let us admit it. Let us admit as well that we may not necessarily have all the facts. Now, what is a referendum? It is a two-edged sword.

If they are informed, they are enlightened; and if they are too well informed, they are completely lost. When one does not have the experience of the principle of the referendum, of the instrument it is, one does not realize it is a means to feel the pulse of the people. Without that experience, and, on such a touchy subject as that one, it is inadvisable to experiment, and that is what the hon. member would have us do, experiment. Let's go ahead and have a national referendum, a widespread debate on capital punishment! Mr. Speaker, I am not ready to tackle that adventure. And why not? I shall tell you right away. The idea of a referendum is not new. In Quebec, we know what referendums are because some people have been talking about them for six years now.

And to come back to the fact that the hon. member would have us hold a referendum on the occasion of a general election. Can you imagine that? The hodge-podge the Canadian people would have to face if a referendum on capital punishment were to be added to a federal election? How could we hold an intelligent election when every time problems, financial, economic or, as I mentioned a while ago, environmental, or anything else for that matter are approached, capital punishment would hold the center of the stage and its pros and cons be brought up again. How can an election be held under such circumstances? It is impossible.

It is impossible to hold a referendum at a federal election. I see that the hon. member opposite is smiling. It is true that I insist on a matter of form, but it is precisely this point which concerns me in his motion. Thus, each member would run for election and try to advocate, in the case of the official opposition, an alternative to the government program and, in the case of the government members, to defend the plans already implemented and all of a sudden capital punishment would be back on the floor. Each time we would want to discuss an intelligent matter, all of a sudden people would talk again about capital punishment. Mr. Speaker, the issue of capital

punishment has been settled here in the House of Commons. That's it! And if the hon. member is not satisfied with the decision of the House, there is nothing which keeps him, given our actual system, from presenting a bill. Let him introduce his bill we will debate it once again since it has to be done. But let us not rely on a referendum during federal elections. It is not possible. We cannot do such things; we cannot proceed blindly, trying small experiments, new systems, approaches or mechanisms to consult Canadians and thus jeopardize our democratic institutions. I am definitely against that.

That is exactly what is now going on in the province of Quebec. There is one particular political party which recommends a certain option. This option, Mr. Speaker,—facts and figures prove it—is rejected by the majority of the population. What did this party do? It is very smart. They said: we are going to set aside for a while the fundamental option which is the very reason for the existence of our party. We will set it aside for a while and when the time comes to discuss it we will then proceed by referendum. So here we go for the referendum.

But what is happening practically? During the provincial election of 1970, of 1973 and even today, Mr. Speaker, every time they come back to the same thing—referendum. What is happening? The real concerns of Quebecers are shelved. Economic problems, consumer issues, problems relating to industry, fishing, transportation, all that, Mr. Speaker, is thrown to the basket because what is important is the referendum, the basic option: people voted in 1970, in 1973 and again in 1976 for or against that option.

Do you see the danger, Mr. Speaker, of putting an issue before the people, at the time of a federal, national or municipal or provincial election, and of telling the people: We have to hold a very serious election, but for the time being the election is not important, because we must find out if you are in favour or against such and such a thing. It is not an election according to our system, it is not a matter of voting for or against something.

We know what happened for instance—I was not born yet at the time—but I learned what happened during World War II regarding conscription. But what happened? The conscription issue divided the country, Mr. Speaker. Why? Because the people were asked to vote for or against conscription. What happened? A segment of the population and, in this case, once again a certain province of the Canadian Confederation said no, and because it was a majority decision, it resulted in strike and unrest among the population. There were arrests, there were conflicts and wounds, and it took a long time before they healed.

Mr. Speaker, a referendum is dangerous. I am not against it in principle, but we cannot throw it before the public and say: Let's try it and see what will happen. It is something that needs preparation, that cannot be improvised. It is serious, and when 22 million people, are involved, Mr. Speaker, experiments are out of the question. A referendum is dangerous but a referendum on the occasion of a general election is inadmissible. It is not even dangerous, it is inadmissible because it completely distorts the system. And I want to insist again on this subject. I do not want any referendum but still less on the occasion of an election because then you have the situation we are witnessing in Quebec: People do not have any choice; they no longer vote for a party, they no longer vote for ideas, they vote for an option, Mr. Speaker.

And what happens over the years? In the case of the province of Quebec, this creates dissensions, factions, and the province can no longer operate with factions. And if factions are created in Canada on the basis of the results of such a referendum, or of one option, or another Mr. Speaker, there is no room for Canada in the world.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I had no intention of rising in this debate, but certain things were said that I absolutely cannot leave unnoticed.

First of all, I congratulate the hon. member for Surrey-White Rock (Mr. Friesen) for giving us this opportunity to speak on the matter of the capital punishment. The hon. member for Lafontaine-Rosemont (Mr. Lachance) said earlier that the people had already forgotten all about that. I wish he knew how much the people have not forgotten. As an illustration, let the Progressive Conservatives come to power and bring forward capital punishment, and we will see how the liberals will lose on that issue. They forced abolition upon this House. They found a way so that the opinion of the minority could win in this House. This prime minister (Mr. Trudeau) moved heaven and earth to have his idea accepted because when he has something in mind, there is no way anyone can take it out. He tried four times—I was here every time—and the last one, when he saw he would not get a majority because some of his own supporters would not vote with him and had the courage to stand up, what did he do? He called for Cabinet solidarity. He forced all his ministers to follow him, some of them against their own wishes. He forced them to. We saw that, I do not have to give names because everyone knows them. He did not have a majority, he forced his will and everyone said the minority had won. Because 80 per cent of Canadians, as the hon. member for Lafontaine-Rosemont rightly stated, favoured retention.

Each time the matter came up, I took polls in my constituency and others as well. Every time 80 per cent favoured capital punishment. But someone's mind was on abolition. The government had sworn to abolish capital punishment despite everything and everyone else. And so they did. We asked for a referendum, and like the hon. member for Lafontaine-Rosemont I feel that a referendum as part of a general election, is manipulating both the election and the referendum.

You have the same thing, the same result as in today's Quebec election. Mr. Bourassa's election issue is the patriation of the constitution, and look what happens: Mr. Bourassa's administration is entirely forgotten; all the other parties were trying to put that subject back into discussion and they did, so that Mr. Bourassa has completely lost face. The people wanted to discuss his administration.

Come election time that is what ought to be discussed, the administration of the government in power, in order to point to the good aspects, if any, and denounce the bad ones. There is always something good or bad in any government. I have no worry in that respect. Having to vote against a motion like the one before us is an impossible task. It would be defeated because I do not want capital punishment or issues as serious as that to become the issue of an election when an election should mainly deal with economic issues. An issue like that must be deal with individually, separately, through a referendum only. The hon. member for Lafontaine-Rosemont (Mr. Lachance) suggested that it is such a personal question that it must not be interfered with. It is up to everyone's judgment. That is why I always blamed the government for going against the judgment of the majority of the people. And it is all very well to say that the people are too ignorant but, Mr. Speaker, the heart, as the hon. member suggested earlier, cannot be ignored.

It is all very well to apologize for voting against capital punishment because the general public was uninformed. I do not accept that. I did not say so, the hon. member who spoke before me said so when he suggested that it was a matter of feeling. The feeling was too strong. It was a personal question. That is why we must go to the people and ask for their assent. And as we say in democracy, if one really want to be democratic . . . Furthermore, I always considered that this government could not care less about democracy in all its actions either with the provinces or with associations. If you want to be democratic you start by meeting the wishes of the majority of the people on capital issues. And then the people will start saying that you are being democratic and that you want to remain so. That is why I am and I have always been in favour of a referendum on that issue, and I will always be. The day a government decides to be honest by calling a referendum on that issue, I will start to take it seriously.

We saw what happened in the United States. It was said that it was settled and dealt with. Other U.S. states restored it; they had abolished capital punishment and they were forced to reinstate it. You will see that the French-Canadians in a few years will be forced to restore it, as will the Canadian government. Let us wait and see who is right. But that will never stop me from speaking for the people on those issues, and as long as they express the wish to have a referendum on that issue, whether for or against, I will follow the thinking of the majority of the people. Those are the few comments I wanted to make and I am sure that even if this hour ends inconclusively as all the others we will still have the opportunity to discuss that question later.

● (1730)

Mr. Mark MacGuigan (Windsor-Walkerville): Mr. Speaker, the hon. member for Lafontaine-Rosemont (Mr. Lachance) has eloquently stated his reasons against a national referendum. I will add only a few words.

Public Opinion on Capital Punishment

[*English*]

I find it very interesting that the two speakers who have spoken in favour of referendums, the hon. member for Surrey-White Rock (Mr. Friesen) and the hon. member for Roberval (Mr. Gauthier), have spoken really about the substance of capital punishment. Apparently they were on the losing side of the vote on that question, and it appears, judging from their arguments, that for that reason alone they want to reopen the question.

Some hon. Members: Shame!

Mr. MacGuigan: I am not rising to speak on the subject of capital punishment. We have expressed our views on that in this parliament; a vote has been taken, and I have no desire to challenge that here. I find it hard to understand that hon. members could rise in this House and urge us to change our whole parliamentary system merely because they are not satisfied with a particular vote. But this is somewhat easier to understand when we consider the confusion which is latent in the motion as introduced by the hon. member for Surrey-White Rock. I must draw the attention of the House to the words of the motion, which are as follows:

> That, in the opinion of this House, the government should consider holding a national referendum for the purpose of making a survey of public opinion on the issue of capital punishment at the time of the next federal election.

● (1740)

In the language of political science the word "referendum" has reference to a binding expression of national opinion. You can clearly see that the author of this motion does not have that concept in mind. He uses the word referendum where he should use the word "plebiscite", which is a non-binding expression of national opinion. Worse than that, and this gives an indication of the kind of problem that can arise, we do not have the mechanism in our system to make a referendum legally binding. If we were to have a referendum, it would have to be followed by an act of parliament, with the members of parliament being bound by the referendum not having the right to vote independently on the issue. In effect they would be bound by something that happened outside this House, and that would be destructive of the whole parliamentary tradition.

In those places where they have referenda they are part of the constitution, and the free vote of the electors itself changes the law. They do not have a subsequent vote by the state assemblies in the United States to ratify what the voters have done by the referendum. The voters do it by vote. But that is a different system.

What I find most astonishing is that this innovation which our friends would introduce is the type of thing that they would decry in other circumstances. They are the first party to complain about any departure from the British tradition, and yet they are trying to introduce an aspect of the American system which would have the effect of entirely vitiating the system we hold so dear.

I repeat that the issue before us this afternoon is not capital punishment. I can appreciate that feelings on capital punish-

ment are strong in the country. Feelings are always strong on moral issues. Why have a referendum on this one moral issue? Are we going to have another one on abortion? We could hardly distinguish between these questions. If the hon. member were to say the distinction would be based on the precondition of a free vote, I would point out that his system would replace the vote entirely. Then do we have a referendum on the questions of divorce, of gun control— where do we stop? If we were to introduce a device of this kind we would be in a position where at least all issues of moral content, in the generally accepted sense of the word, would have to be submitted to the vote of the people. There is no possibility of isolating a single vote of this kind and treating it as something separate.

It seems to me that in our system the only case in which a referendum could be justified would be one dealing with the system itself. There are various ways of changing the constitution. If what we are talking about is something which is in effect a change in our system, if it is like the vote in Great Britain on entering the Common Market, which is a limitation on the sovereignty of parliament and does change the course of British history, then perhaps there is a case for it. If we had a similar case here which was changing our future course, or a vital question dealing with the government itself, that would be different, but if we are dealing with ordinary moral issues they are all on the same plane. While some people are concerned about capital punishment, others are concerned about abortion. Sometimes they are the same people, and sometimes separate groups, but one group has as much right to have its issue put to a national referendum as another. In my view no group has that right in a parliamentary system.

I do not have to explain to hon. members opposite the historical genesis of parliamentary government and how we fought for it in Canada with the result we see in the party caucuses. We were the self-governing dominion in the British Commonwealth which developed the party caucus because we were all united against the governor. The higher-ups in all parties met with the ordinary representatives because they were all together in their struggle against the governor. From that arose our caucus, which has few parallels in the world, where frontbenchers and backbenchers meet together. It functions very effectively in our system—almost all of our system is functioning very effectively, or it was until our friend, the hon. member for Surrey-White Rock, got into it.

I appreciate the fact that hon. members opposite, not having the responsibilities of office, do not have to be responsible in the motions they put forward, but on this side we have to take the longer view, especially when it is a question of responsible government itself.

I can see that this debate is provoking great concern in the House. Members on both sides would not want to lose the privileges they have attained through centuries of struggle for responsible government. Even members opposite, as a result of the things that are being said, may be persuaded to reconsider this thoughtless and unwarranted suggestion that in one aspect would change our system in a way that could drive a wedge that would eventually change its character entirely and run the risk of creating in Canada, or importing, the kind of institutions that have been developed in the United States.

I am sure most hon. members know, and certainly those on this side do, that there is a considerable difference between the spirit of the people and the spirit of government in Canada and the United States. We have a more relaxed notion of freedom and a different concept of government. We do not believe that everything should be put to a popular vote all the time. We think representatives should be elected to make decisions for the people on an orderly basis, themselves responsible to the people and the government responsible to them, so that throughout the system there is a chain of responsibility.

The American system is different. They believe in what many would refer to as an excessive democracy—that everything should be decided by everybody all the time. It is in that kind of spirit that referenda came to be part of the American system but I do not think it is a characteristic we would like to duplicate. There may be some things for which we envy our friends, such as their more material achievements, but I do not think members of this House want to ape their governmental institutions.

Some hon. Members: Hear, hear!

Mr. MacGuigan: Perhaps I have said enough to indicate to members opposite the necessity for reconsidering the views they have so lightly put forward this afternoon. I should like to allow other members to add their indignation to that which I have already expressed on this suggested change in our system.

Mr. Maurice A. Dionne (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I am surprised that this motion has come before this House today. Earlier this afternoon we heard one of the greatest flights into fancy, presented by the hon. member for St. John's West (Mr. Crosbie), that I have heard since I have been in this House. A few minutes ago the hon. member for Surrey-White Rock (Mr. Friesen) went on one of the greatest flights of sophistry it has ever been my lot to witness since coming here.

• (1750)

Mr. Friesen: What does that mean?

Mr. Dionne (Northumberland-Miramichi): It means talking out of both sides of your mouth. Parliament expressed its will last spring on the issue of capital punishment.

Mr. Munro (Esquimalt-Saanich): Not with a free vote.

Mr. Dionne (Northumberland-Miramichi): The hon. member for Surrey-White Rock claims the people of Canada have been betrayed by parliament.

Mr. Friesen: Right on!

Mr. Dionne (Northumberland-Miramichi): How a member of parliament can make a claim like that and retain his seat in this House I cannot understand. That is what I mean by sophistry, Mr. Speaker. He went on to say that over the last

five years every credible indicator in this country indicated that 80 per cent of the people were in favour of capital punishment. I wonder what he means by a credible indicator. Is he one of them? Polls have been conducted for many years on many issues. Thank God this country is not governed by polls.

It is obvious from their reluctance to put forward a stand on any policy that hon. members opposite would like to see a referendum on any issue which is the least bit contentious. Mr. Speaker, it is the responsibility of the elected member of parliament to take his place in this House and vote on issues, whether or not they are contentious. The member of parliament must look at all aspects of the issue, study all aspects in detail, and then make a judgment. I want to make it clear that when I cast my vote on capital punishment it was not a vote of conscience; it was a vote of judgment.

An hon. Member: It was a free vote.

Mr. Munro (Esquimalt-Saanich): No, it was not.

Some hon. Members: Oh, oh!

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the hon. member opposite raised a point with which I shall now deal. It is a point raised by those who voted against the abolition of capital punishment. Many such hon. members, including the hon. member for Esquimalt-Saanich (Mr. Munro) say repeatedly that it was not a free vote. Nobody has ever suggested that the cabinet did not have to show solidarity; it was a government bill. That was clear from the beginning. Unfortunately some of the opponents of the bill, including some members of the press, tried to create the impression in the public mind that pressure was brought to bear on Liberal backbenchers to vote in favour of the abolition of capital punishment.

An hon. Member: There was.

Mr. Dionne (Northumberland-Miramichi): That is an absolutely shameful, spurious charge which cannot be defended. The hon. member wants a referendum, according to what he says. In his own words a referendum would relieve the member of parliament of responsibility for making a decision. That is what I mean by sophistry. We are here to exercise responsibility in the making of decisions.

Mr. Friesen: Mr. Speaker, I rise on a question of privilege. I do not mind the hon. member's paraphrasing what I said but he should not say that he is quoting me when he so garbles my words.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Turner): Order, please. I suggest that is a point of debate and not a question of privilege.

Mr. Dionne (Northumberland-Miramichi): After one has listened to the kind of garbled logic put forward by the hon. member this afternoon it is hard not to garble one's paraphrasing of it.

The issue of capital punishment involves complex questions which must be dealt with. I suggest that the hon. members for Lafontaine-Rosemont (Mr. Lachance) and Windsor-Walkerville (Mr. MacGuigan) dealt in detail with some of those issues. They are complex and cannot be resolved by plebiscite or referendum.

As the hon. member for Windsor-Walkerville said, a referendum implies a binding decision by the electorate; yet the hon. member for Surrey-White Rock requests a referendum for the taking of a survey. I suggest that Dr. Gallup has taken many surveys without the authority of a referendum. A number of complex issues to do with the questions at issue cannot be solved by referendum. They must be solved by hon. members of this House who must look in detail at the questions at issue and make conscious decisions. Some of those issues involve the judiciary itself, the functioning of law enforcement agencies and the prison systems. Such complex questions cannot be dealt with by referendum.

Mr. Knowles (Norfolk-Haldimand): How about conscription?

Mr. Dionne (Northumberland-Miramichi): The hon. member opposite mentioned conscription. It seems to me that the hon. member for Lafontaine-Rosemont dealt with the question in his speech. Obviously the hon. member opposite was not listening. Not only do hon. members opposite garble their speeches, they seem to suffer from garbled hearing as well.

Mr. Paproski: Question.

Mr. Dionne (Northumberland-Miramichi): Some questions to do with capital punishment, such as powers of discretion and the caprice with which that form of punishment has traditionally been applied over the years, require much detailed study. Whether capital punishment is a deterrent in itself is a complex question requiring much study and detailed information. Where is the electorate to get this information?

An hon. Member: From Benno.

Mr. Friesen: I will give it to them.

Some hon. Members: Question.

Mr. Dionne (Northumberland-Miramichi): The hon. member no doubt is referring to the sort of information which came forward during the debate in the spring. But we must deal with other issues as well having to do with capital punishment, issues concerning which it is difficult to obtain information.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, this is becoming a habit. The last three times I have spoken in the House I have been interrupted by private members' hour. It is sometimes difficult to resume at exactly the same point you leave off. In any event, at five o'clock I was discussing redistribution of income through the family allowance plan.

The government, the official opposition, and other parties in the House may want to comment on whether it can be justified that family allowance be paid to all families in Canada regardless of income. I would rather see a cut-off point and the moneys not go to families with adequate or large incomes, but redistributed to families with lower incomes. If we look at Statistics Canada figures or other statistics we see that the larger families are at the lower end of the income scale. That is another reason why more money should go into that area, especially during times of high inflation when the costs of raising a family are increasing and families must make the purposeful decision of whether to have children.

Although this is not the total reason for having a scheme where money will go to those families that require it the most to have more children, certainly it is something this House could well consider. All parties should look at it. I hope there will be comments on this.

In discussing a bill like C-19 you get into the whole philosophy of government spending. There are several ways you can look at it. First, the government should spend less or spend more, depending on which side of the table you are on.

One of the interesting aspects of government spending is what it should be directed toward. Should it be for increasing services such as medical and various other services? Should the money be utilized in areas which will increase employment and increase our national revenue? I wish to use an example. With regard to the salmon enhancement program, the federal government will have to decide whether to spend $300 million for the doubling of the salmon catch in the next ten years. It is an interesting concept. If that $300 million goes into this program on the west coast, it is estimated by fisheries officials that this will double the salmon catch within a ten year period.

[The Acting Speaker (Mr. Turner).]

Doubling the salmon catch will do a number of things. First, it will provide more jobs for fishermen. It will spur the construction of new fishing boats and cause new processing facilities to be built. In general it will affect the economy of the province of British Columbia to a large extent.

This will have to be a government program. How could the fishermen or the processors become involved in a program which requires the reclaiming of streams, the conservation of the resource and people patrolling to ensure that laws are not being broken? The answer is that the private sector of industry cannot do this.

This is an area where government spending can well be directed rather than the money going down the well to provide short-term employment which may be finished after six or eight months. Hon. members are aware that we do have programs like that which try to take us over the peaks of unemployment such as during the winter months, or for the unemployed students during the summer with programs such as LIP.

Although it takes a longer period of time to bring the benefits on stream, I suggest that governments are well advised to put their money into long term projects such as the one I mentioned, the salmon enhancement program. This will double, triple and quadruple the amount of landed value of the catch. The money will go through the Canadian economy having a greater impact over the long term than a program set up for a short period of time. It may cost $100 million such as the LIP program, but will have a more long lasting effect. The LIP program does not generate itself through the economy year after year.

In addition to the intent of Bill C-19, to reduce government spending by $1.5 billion, this House should direct its attention to how this money will go from the federal government into our economy and ensure that we get a reasonable recovery of that money. We should make sure we recover at least part of this money annually, just as in the forest industry they replant to ensure that the harvest continues—not just one harvest, and that's the end of it.

• (2010)

I would also suggest that government money might well be spent on improving small craft harbours and docking facilities on the west coast to provide better landing for the commercial fishermen as well as improved facilities for the growing number of pleasure craft owners. A program of this kind would bring people to the west coast. It is thought by many that the forest industry has now reached its peak and cannot be expected to expand much further. But we on the west coast have a plentiful supply of fish available to us and a climate which is the envy of all Canada. This being the case, we might be well advised to direct our attention away from the exploitation of primary resources which have reached the point of maximum utilization, or close to it, and take advantage of those other features of west coast life which I have mentioned.

I refer to the tourist industry, the recreation industry. The opportunities available in British Columbia already attract

people from every part of Canada and are certainly the envy of the United States. Would it not be a wise move on the part of the government to develop small craft harbours and launching facilities for small boats in conjunction with the fishing industry, one which is itself an unexploited industry capable of playing an increasingly significant role in the economy as time goes by.

Again, in building up the economy of areas such as Newfoundland or Vancouver Island, care must be taken to put money into search and rescue facilities, services which are closely related both to the fishing industry and, in increasing measure, to the tourist industry because tourists are taking to the sea in ever-increasing numbers. The saving of life is a matter of great concern to any government; it is a subject which cannot be approached in terms of dollars alone. Admittedly an effective search and rescue service is expensive. It costs money to build 65-foot cutters, ships which are able to accommodate helicopters and stay at sea for lengthy periods. When an incident does arise at sea it is important that help should arrive quickly, that a ship equipped with a helicopter can put out in a matter of minutes rather than hours, since a person struggling in the water, especially during the winter months, can survive only a very limited time, and unless help arrives quickly I suppose it can be argued that it is pointless sending any help at all.

Hon. members who come from maritime constituencies are aware of the expenses involved in search and rescue equipment. They are also aware that during a time of monetary restraint it is difficult to pry money from the public treasury for what is basically an unglamorous project, especially when one considers that the majority of Canadians do not live on the coast line. It is hard to convince the people of Quebec, say, or of Ontario or the other inland provinces of the importance of building up an adequate search and rescue fleet. Hon. members will recall, however, that the House did spend a considerable time discussing a subject which involved human life—not on the same plane, admittedly, but certainly a life is a life no matter how it is saved. In one case it might mean imposing deterrence upon certain classes of society; in another it might mean providing a safe and reliable rescue service on our west and east coasts. It behoves the House to spend some time considering this proposal, since in doing so we shall be talking about lives, not talking about dollars and cents.

While on the subject of the way in which the government should spend, or refrain from spending, public money I should like to mention briefly an area which up to now has had more impact upon the city of Ottawa than upon an area such as mine, the riding of Comox-Alberni on Vancouver Island. I refer to expenditure in connection with the location of government departments and related costs of building and so on.

The government has been criticized both in the press and by the Mayor of Ottawa for proposing to move government departments away from Ottawa instead of centralizing them here. As a member of parliament from another part of the country I can only say it would be the height of folly at this time in our history, given all the means of communication we have at our disposal, to contemplate having the administration in one central point. It would not matter if one took the Department of National Defence and stuck it at the north pole: you would get exactly the same service as you get now with the department located in eastern Canada, in Ottawa.

An hon. Member: Better.

Mr. Anderson: It might even be better. Perhaps there are fewer distractions at the north pole. On the other hand it is an act of common sense to have the civil service spread out in various parts of Canada rather than being centralized in one place. I might say there are, I am sure, people on Newfoundland and on Vancouver Island who would swear to God there is no government because they never see a government official from one year to the next. They do not hear about government from one year to the next. Ottawa, to them, is just a fairy tale land because it has no bearing upon their lives.

Those who suggest that staff should not be moved from Ottawa because civil servants might be disturbed or because there might be accommodation left over are being unrealistic. I need not tell hon. members from the west that the people of Alberta have a tremendous feeling of empathy with the provincial government. It is something one can almost touch. Their signs are up on the bloody roads.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Anderson: The people are aware they have a government. But what do they have in Churchill, Manitoba, or Alert Bay in British Columbia? They don't have a bloody thing to do with the government.

Mr. Knowles (Winnipeg North Centre): Order!

Mr. Anderson: The only thing we do down here is write laws which cause them problems. That is their only connection with the federal government. I am not thinking about decentralization alone. Taking departments to Winnipeg, Calgary and Edmonton is equally a waste of time, money and effort. The city of Edmonton does not require any more civil servants and neither does the city of Winnipeg.

• (2020)

If we are to have a federal presence outside the Ottawa area, Mr. Speaker, for goodness sakes let us put it in smaller communities and not provincial capitals. Vancouver has a population of over one million people and there is no point siting the revenue department on the outskirts of Vancouver when, in the city of Vancouver, there is a housing problem and a shortage of land. Both federal and provincial governments have been saying for years that it should be the object of government to move people outside the greater Vancouver area. Yet what does the provincial government do? It wants to construct its buildings inside the city of Vancouver.

What has the federal government done in this regard? If you look at the Vancouver telephone book, Mr. Speaker, you will find page upon page of federal government agencies listed within the city of Vancouver, agencies which should be in

places like Courtenay, Campbell River and Nanaimo, where they could do the job equally as well with their tie-in computers and telephone lines. It does not cost any more to send a letter to a small community than to the city of Vancouver.

In my area this winter unemployment is going to reach 15 per cent of the population. Putting one or two government departments in my constituency would significantly cut down that rate and provide jobs for the area.

The leader of the NDP would transfer massive amounts of federal money to given areas of low unemployment, such as Vancouver. Moving these departments into areas of high unemployment would result in lower building costs and would stimulate the economies of small communities that will be in the doldrums this winter. There would also be a federal presence and people would say, "Yes, I guess we do have a federal government".

Speaking only of western Canada now, Mr. Speaker, if we continue to put mints in provincial capitals, if we continue to put search and rescue into Vancouver and Vancouver alone, the decentralization program of this government or of any other government is not going to be worth the powder to blow it to hell. All you are doing, Mr. Speaker, is sending departments into other large areas that did not need further growth in the first place. People will say, "The bureaucracy has done it again. It has taken departments out of the greater Ottawa area and put them into the greater Vancouver area, the greater Calgary area and the greater Edmonton area, which does not benefit any of these communities". In this way we have shown we are not intelligent enough to formulate a policy that puts priority on moving federal departments into areas of high unemployment, and thus solving some, at least, of the unemployment problem.

What are we saying to the people of Canada, Mr. Speaker? Perhaps we are saying to them this: "Look, you guys, you might as well get out of Newfoundland and vacate the bloody place—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Anderson: —because you aren't going to get any money there anyway; move to Edmonton or Calgary because you guys will always be sitting at the backside of the cow". Is this what we are trying to say to these people, Mr. Speaker? I hope not.

I would ask my hon. friends in the official opposition to make a few comments on what they want to see happen in Canada. Either they do not know or they will not tell us. They are entirely mute on the subject, except for the hon. member who represents an area of Ottawa who asks whether a few office buildings are going to be left vacant. I do not care if there are 10 office buildings vacant in the city of Ottawa; I say get government departments into other parts of Canada. I guarantee that the city of Ottawa will continue to thrive and grow whether we move some departments out or not.

Since we are talking about government expenditure, what can we do as a government to make sure that money is shared equally among the people of Canada but that areas that need help are given some assurance that we are at least aware of their problem? Let us not talk about saving $1.5 million when we can put this money into, say, fisheries in Newfoundland, I will not say in St. John's because there are better places in other parts of Newfoundland. Let us spend money in some of the outlying areas of Newfoundland and British Columbia, instead of crowding into centres and accentuating our urban problems. Is that planning? No, Mr. Speaker, I do not think so.

I hope that out of our discussions on Bill C-19 we will arrive at a more rational way of making sure that the money we spend as a government, whether it be $42 billion, $39 billion or $36 billion, is spent wisely and in the best interests not only of larger centres but of the small communities that I consider are the backbone of Canada. Unless we start helping them pretty soon, Mr. Speaker, we will not have to worry about these areas much longer because no one will be living in them.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I have had the opportunity of listening to spokesmen for the government side and I can appreciate the fact that they have been pleading with members of the official opposition to come forward with some answers to the problems facing Canada today. We have all realized for quite a long time that the Liberal party is completely bankrupt of ideas, and the results of their programs throughout the nation have caused their popularity to nosedive so far as public opinion polls are concerned. I think this is an indication of the Liberal party's frustration and anger, and they are now trying to turn the tables on the official opposition by saying we are not helping them out or telling them what to do, and this is why they are stumbling around.

With all due respect to my colleague from British Columbia, the hon. member for Comox-Alberni (Mr. Anderson), we do sympathize with him. We know he is labouring under severe handicaps. The Liberal party has followed the same course it followed previously. The Progressive Conservative party would propose programs, and in desperation the Liberals would pick them up, put them into operation and get something done.

Some hon. Members: Oh, oh!

Mr. Patterson: It was reported a short time ago that a meeting of Liberals was held to try to figure out why their showing in the public opinion polls had indeed taken a nosedive over the past few months. It seems to me that that is a completely unnecessary exercise, Mr. Speaker. If the Prime Minister (Mr. Trudeau) and his cabinet ministers do not know what the problem is, then all they have to do is mingle with the grassroots Liberals, or the former grassroots Liberals, and they would certainly tell them what was what. They are not hesitant about telling us, and I am sure they would be quite willing to pass the information along to the government in an attempt to try to rectify the situation we find ouselves in today.

• (2030)

In reviewing my correspondence from my constituents I am reminded that one of the main criticisms of the Trudeau

administration is its mad spending spree at the expense of the taxpayers of the nation. The resources of our people are not inexhaustible, yet the government is engaged in a spending program that has enraged Canadians. They are enraged because of the magnitude and the nature of many of the projects. In the past the government finally reached the conclusion that it had been less than successful, to put it rather mildly, and has decided to endeavour to put in place other programs that will work more effectively and efficiently in meeting its goals and objectives.

I fully realize that some of the programs we have had in the past, some of which the government has already indicated are to go by the boards, were created to meet certain critical situations and problems. But instead of defusing those issues and problems we find that the government has created others, some of similar and some of greater magnitude.

I must say that some of the programs have brought some benefits to the Canadian people. I think particularly of the Local Initiatives Program. It was a horrible mess at first but as time went on, after the government listened to some of the suggestions made by some of the people in the various communities, some effective and efficient work was accomplished. We find, however, in the over-all picture that these programs have not been adequate to meet the need, and therefore the government has indicated its intention to replace them with other types of programs.

The government had been making noises about reducing government expenditures, but actually these have only been noises. The estimates which are tabled from time to time indicate a substantial increase in expenditures over the previous year. Certainly this does not appear to fit in with the government's proposal for a reduction in expenditures. We admit there may be a reduction in the amount the government had intended to spend, that it had programmed, or that the departmental officials and ministers had asked be allocated to their departments, but that is a far different story than a reduction in expenditures as viewed by the Canadian people.

When we think of this particular issue I say that the people of Canada have placed almost in the number one slot government expenditures as something that has created a great deal of distrust and resentment right across the nation. It has been placed on the record that the habits of the government are so excessive that its spending has practically quadrupled in the last ten years. One of my colleagues pointed out that it took the government 100 years to reach a budget level of $9.9 billion in 1967, that this administration doubled that figure in the next three years, and in the last four years doubled it again to the present $42 billion spending estimates we have before parliament. So we see just how far we have gone and the extent to which the government has increased the expenditures of this country.

One of the main concerns of the official opposition on the matter of restraint is that when we look at the proposal before us we see that it is too little too late. I should like to point out that in 1965 the total government share of the Gross National Product was 30.3 per cent. In 1974 the total government share of the Gross National Product had risen to 40.4 per cent. In other words, over the period of a decade the government's share of the Gross National Product had increased by one third. It is granted that there are many factors which lead to inflation but I believe it is recognized and acknowledged by authorities from coast to coast and in various parts of the world that unreasoned government expenditure is by far the most serious factor in the inflationary cycle.

I should like to refer to an editorial by Mr. Edward Belitsky, Editor of the *Canadian Automotive Trade* magazine. Talking about the tax-hungry government he said:

> Prime Minister Pierre Trudeau is running the federal government very much as Jean Drapeau is running the Olympics. The money we sink into it seems to be disappearing at an ever-increasing rate.

That is the first paragraph. The concluding paragraph of the editorial states:

> Every time the minister of finance or head of the treasury board or any one of Trudeau's other torpedoes goes on TV to tell us the latest bad news regarding taxes, budgets or whatever else is currently amiss, we get the feeling that the country is being run like the world's biggest protection racket.

We can understand something of the feelings of the Canadian people when we consider some of these quotations and references I have brought to the attention of the members of the House.

I should like to refer to some of the make-work programs the government has indicated will be eliminated, and the reason given. Surely when the government frantically tries to put in place programs to give people work there must be some reason for this, and some objective the government has in mind. I suggest the reason for so many make-work programs is the government's bungling and ineptitude in providing leadership for the nation. The responsibility of the government is not to provide jobs but rather to create the economic climate in which private enterprise can work to its full potential in utilizing the human resources of the nation in productive and remunerative employment. I suggest this is something the government has failed dismally to accomplish. I say the opposite is true.

Restrictions, undue interference, and confiscatory taxation have all tended to undermine initiative, limit development, and undermine the will to succeed in chosen fields of endeavour. I believe this is the reason why the government has so readily resorted to make-work programs in order to try to pick up the slack. I refer to the government's bungling and ineptitude in creating the climate conducive to a developed and orderly policy in our nation.

We recall that some time ago the Prime Minister stated that the free enterprise system in Canada had failed and that the result would be greater government involvement and interference. There was quite a reaction to that statement, as we know. It came from the business community. It came not only from the larger business area but also from the small business community and from a great many organizations and agencies, as well as from individuals right across the nation.

● (2040)

Then we found, when the government brought in its Speech from the Throne, that the Prime Minister seemed to reverse himself, whether it was a death bed repentance I do not know, but he came to the conclusion that, after all, the private enterprise system is very worth while and therefore he ought to draw back a bit so far as government involvement is concerned. So as we consider some of the statements made by the Prime Minister we begin to realize that perhaps the government is finally realizing that possibly it has been making a mistake, it has been following the wrong line of endeavour and it should consider some other activities.

With regard to government expenditure I should like to refer to a speech made by my leader. This might be of some interest to those who are asking what is the thinking and what are the proposals of the official opposition. I have here the notes for remarks made by our leader to a public meeting in Whitehorse, Yukon, on July 9. It is worth reading the entire speech into the record, but I will not do that. I will just commend it to the reading of the Liberal members. Perhaps it will enlighten their minds a little on what course should be followed and what might be more beneficial to the Canadian nation than the course which their leader has been following.

The Leader of the Opposition (Mr. Clark) stated:

> The most visible inflationary hot-spot to all of us, no matter how many thousands of miles away from Ottawa, is the area of government spending.

He went on to point out:

> The Trudeau administration . . . has increased its spending by over 35 per cent over the last two years. My government . . . would put a restraint on that spending. But that kind of restraint doesn't necessarily mean fewer jobs. We will not accept that kind of simplified premise on the part of the Trudeau government. Restraint can and will mean new jobs, if the savings are passed along to the taxpayer through personal tax cuts to lower income groups and through direct incentives to the private sector. The enterprise system is in danger of erosion in this country because of increased government intervention in the economy and also because of a denial of the need to stimulate and support a decentralized economy based on personal commitment and willingness to take risks and try new ventures.

With reference to small business he said:

> The small business entrepreneur has an important part to play in the decentralization of our economy and the need for strengthened development in our regions. The people willing to take risks need our support. We should be offering incentives to stimulate that kind of development.

He went on to point out that what is needed is leadership in the development of our national economy at present. We can understand the frustration of the Liberals and their pleadings with the Progressive Conservatives to give them the answers. I remember when not too long ago they had all the answers and they told the people they knew better than anybody else. Of course they still try to tell them that, but the people are catching on. This is the reason that there is such a decline in their support across the country. Of course it is accentuated when we read in the paper that the Prime Minister referred to the lack of understanding and the credibility gap between government and people. He said that he can understand why there is such a credibility gap when they consider the bungling that they have been doing.

It is not necessary for me to impress upon the supporters of the government what the problem is. Their own leader admits it. I hope that for the good of Canada he will come to the point some day when he will try to put into operation some of the plans that will help to pull the nation out of the doldrums in which we find ourselves, but I must say I am rather cynical on that point. I cannot see how he is going to do it and I cannot see any possibility of that happening under the present government.

The government has announced its intention to eliminate some of the make-work programs to reduce expenditures.

Mr. Benjamin: What programs?

Mr. Patterson: I know your party is bankrupt of ideas. If you had been listening to the speeches made by members of this party in the House in the last several days, you would have a lot of answers.

Mr. Benjamin: What would you reduce?

Mr. Patterson: Possibly you are not paying much attention.

Mr. Knowles (Winnipeg North Centre): Address the Chair.

Mr. Patterson: As I was saying, the government has announced its intention to reduce expenditures, but it is going to introduce in another form year round programs to the tune of $350 million in the first full year of operation, or so we are told by one of the government spokesmen. To me that does not sound like restraint. It seems to me it is just a transfer of money from one pocket to another or from one portfolio to another. It is not a reduction, it is a transfer.

Mr. Railton: Explain how you can do that.

Mr. Patterson: How do I do that? Is that what the hon. member is asking? Why does he not ask his own party leaders who are talking about restraint on the one hand and who are transferring one type of program to carry on what has been done by other programs?

Mr. Railton: Give me an example.

Mr. Patterson: I know that hon. members over there are confused.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Fraser Valley East (Mr. Patterson) has the floor and he should be heard.

Mr. Patterson: Thank you, Mr. Speaker. I appreciate the interest that is being shown over there. I assure the hon. member that not only are we interested and are they interested but the whole country is interested in what the government will do and in how it will fulfil some of the promises it made through the years that it would wrestle unemployment to the ground and it would fight inflation, but every time a budget or a throne speech comes along we hear a rehash of the same things over and over again. We find that we are not making too much headway under this government.

In this connection I should like to offer a suggestion. When we talk about make-work programs I suggest that in working out the details and in putting the plans and programs into place and establishing the goals for the development of their area, municipal authorities should be taken into careful consideration because I believe in this way something really worth while can be done. I am not saying that nothing was done under LIP or other programs, but I suggest that if the government worked in closer co-operation with municipal governments it would find it could move forward to the realization of those objectives that representatives on that level of government have been studying and trying to put in place. If the federal government will co-operate along that line, we will see something really worth while being done. There are plenty of opportunities for activities of this kind.

We can go back to the winter works program of some years ago. Very worth while work was done under this particular program, but while we find the government spending a great deal of money in other types of operations, we find that municipal governments are strapped for finances, and they are not able to carry through to the realization of their objectives.

● (2050)

I listened to a talk show just a few days ago, and a mayor was the guest on the show. He remarked that he would be very happy if he could provide the residents of his district with recreational facilities equal to those provided in one of the penal institutions by the penitentiary service. I suggest that spending money in providing facilities in communities would be much more beneficial and productive than spending money on so-called rehabilitative programs and facilities which have failed to achieve their objectives.

I am just pointing out in this connection that if these programs were operated in conjunction with programs at the municipal level, we would see the fulfillment of some of the dreams of the people in these communities, and there would be some facilities which would be for the benefit of all the people.

Be that as it may, the fact remains that this is not a bill to facilitate restraint of government expenditures. It only transfers to other programs amounts that are now being allocated to the old types of programs. My colleague, the hon. member for Edmonton West (Mr. Lambert), pointed this out quite clearly in his intervention a few days ago when he talked about how much the government was proposing to save by cutting off the cost of living increase in a certain type of program. Then he pointed out that in all likelihood if the people were not able to qualify and fulfil their objective of being retrained for other types of work, they could conceivably fall out altogether and go on unemployment insurance or on welfare, and the money would be taken up and spent in that way.

We could go on with many other things, but in conclusion I would like to say that Canadians do not object to the introduction of programs designed to assist those who, through a variety of reasons, are unable to compete successfully at a highly competitive time. Canadians do not object to the financing of programs which contribute to the over-all development of our national economy. They do not object to being called upon to provide those services which we as individual citizens are unable to provide for ourselves. They do not object to providing assistance to underdeveloped countries, if that aid is carefully and effectively disbursed to alleviate human suffering. But Canadians do object to the squandering of their money in ways which undermine the will of some individuals to pull their share of the national load. They object to governments implying by their policies that the citizens are not intelligent enough to spend their own money, care for their own needs and discharge their own responsibilities, and that therefore government has to withdraw their money from their pockets and hand it out again in some other form.

Canadians object to being looked upon as an inexhaustible source of dollars to support governmental programs which have been growing wild ever since this government took office in 1968, and the benefits from those programs have been extremely limited.

My colleague, the hon. member for St. John's West (Mr. Crosbie), this afternoon laid out special priorities which are essential in his area of the country, and when we talk about curtailing expenditures, immediately the government raises the cry: "What do you want to cut out?" It is not exactly a matter of cutting out; it is a matter of setting priorities in a way which will enable people to understand what is being done and in a way which will prove to the people that something worth while is being accomplished, and the government should be sincere in its desire and in its effort to pull the economy out of the doldrums and lead the nation on a path of progress and development.

I am not hopeful at all that this government is able to do that, but I believe that when the next election rolls around, the people will effect a change—a change which is indicated very strongly in the polls across the country today—and I believe that the government which will be installed under the leadership of our leader, the hon. member for Rocky Mountain (Mr. Clark), will be able to set in place the type of program which will get the country on the road again to development and progress, and which will enable this nation to reach some of the objectives which incorporate the aspirations of its people.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, as I am rising to take part in this debate, the voting is over in the Province of Quebec and the TV networks are broadcasting the results of the election. This is probably the reason why I am the only French speaking member from my province to be in this House at this time. In any event, it is evident that the whole of Canada is watching most attentively the development of this political campaign which is a source of enormous interest and understandably so.

However, Mr. Speaker, we, the hon. members present in the House of Commons, have responsibilities which are particular to us, and I for one intend to assume them and do my best, in co-operation with other hon. members, to provide our country

with the best possible administration, so that families, individuals and business may survive, to make sure that our people as a whole enjoy a decent standard of living and to preserve everyone of our individual and collective rights.

Mr. Speaker, Bill C-19 which is now before us, is an omnibus bill.

● (2100)

We have seen omnibus bills introduced before in the House, bills which put the members in an excessively difficult situation. Indeed, we are in favour of some part of the bill, but we are at the same time opposed to another part of it. And when we want to accept what is good in the bill, we are forced to accept what is bad also, and when we refuse to take it all, we are accused of being opposed to what is good. This is a most unfortunate situation, but we have to make do with what we have. With this bill, it is proposed to change the Chapter 14 of the Adult Occupational Training Act, 1972. Secondly, it is proposed to change the Chapter 44 of the Family Allowance Act, 1973, to change the Industrial Research and Development Incentive Act, to abolish Information Canada, and to change the Western Grain Stabilization Act, all this in the very same bill. We could easily agree with some of the provisions in the bill and disagree with others. However I feel this is done deliberately. And I regret once more, Mr. Speaker, that the government still tries unfortunately to generate confusion with omnibus bills. However, it seems to me that with the army of civil servants and advisers working for the government, it could proceed as expeditiously and less confusedly. There is always too much confusion. We particularly need clear and precise legislation because it is the public that has to cope with the legislation we pass in the House, and if we want the people to cooperate with the administration, we must first of all give them precise and intelligent legislation so that the public can accept, in the proper time and place, less beneficial legislation, and under other circumstances, beneficial conditions.

Mr. Speaker, on November 5, I had the honour to introduce in the House and to propose Bill C-206 which is at second reading and which, I hope, will be referred in the House at the proper time for debate. I consider that this bill contains provisions which should be discussed more fully in the House, in committee and at the report stage so that situations which precisely compel the government to introduce Bill C-19 in order to restrain government spending be corrected. During the debate on second reading of Bill C-206, one member said: the member for Bellechasse did not spend much time preparing his bill because it is not thick. Mr. Speaker I always beware of thick bills, of bills which are really confused, which compress too many things at the same time.

I would rather have fewer pages and know what they contain because I understand what the Canadian people are likely to understand. That would really be interesting and would prove to the people of our country that we really mean well, that we want to take concrete measures that are easy to understand. The population must be able to use laws in the same sensible way we use to develop and pass them.

Bill C-19 is intitled an act to amend or repeal certain statutes to enable restraint of government expenditures.

Mr. Speaker, it is terrible. It reminds me of the banker who gives an umbrella when the sun shines, but when it rains, he takes it away. The government offers us some programs when private enterprise is ready to provide jobs; when the economic activity is in full swing, the government has programs. It is precisely when the economic activity slows down, when private enterprise is no more able to absorb the available labour, that we need government intervention to counter-balance the lack of jobs. It is then that the umbrella is taken away by the government, that it deprives us of the benefit of certain laws, such as the family allowances act and that providing for a job-creation program which is commonly called LIP. Mr. Speaker, I think that the provision of the bill designed to save money at the expense of families is bad for Canada, because Canada is made up of families, and we have to make sure that our legislation always protects the rights of families, and even more so. And when families will be in good economic health we will have a country in good economic health.

Mr. Speaker, there is no need to be surprised that young couples today refuse or nearly refuse the arrival of a newborn in their homes. But why? Is it because they are worse than the generation which preceded them? Not at all! It is because they must suffer overly difficult economic conditions that we now see a decrease in the birth rate in Canada and more particularly in my province of Quebec of which I am proud indeed. I have difficulty realizing that Providence gave us so much, so many resources of all kinds and that we should administer in a way that creates concern among the young and that they should not want to accept the continued existence of our people in a normal way. We must reflect on that and think about it twice.

Yet I had a bit of hope when on October 12 in the Speech from the Throne one could read—we are not told the year but simply:

On January 1 family allowances will again be indexed to the increase in the cost of living in 1976. I am prepared to take it that they meant January 1, 1977, but until then there will still be a period of twelve months in between. Until then I think the families of this country will be deprived of a necessary income, an important income that would have helped put economic blood in our system. When families have supplementary incomes in general they spend those incomes on neccessities of life, and when those families buy more milk, more clothes, more necessities of life they help directly to dispose of production. And when production is disposed of, industries operate at fuller capacity and automatically families help create employment, reduce unemployment and circulate in our society the economic blood of the nation—money.

Mr. Speaker, I am offended that in 1976 a bill should be introduced to reduce the increase in family allowances that had been provided for in 1975.

● (2110)

Mr. Speaker, a 7 per cent reduction in the income of members of parliament during 1976 is acceptable because this is only affecting 264 families, but a reduction in family allowances directly affects a huge number of families, and this is more serious.

Mr. Speaker, I would like to say that the members have accepted that their income, their expense account be reduced by 7 per cent since last July, when Bill C-81 was passed and every member gives back $58.33 to the federal Treasury each month. Did the newspapers report that fact to the people? Were the people told on television that the members of parliament were setting the good example? Did the radio stations broadcast that information? Never. If our income had increased by 2 per cent, that increase would have made the headlines on the newspapers: "Members of Parliament are having it good, they increase their income by 2 per cent". We accepted to make a sacrifice to set a good example but nobody mentions it. Furthermore, a bill is introduced to reduce the income of our families, of those who accept to bring up children, and perhaps somebody will say that this is a scandal.

Mr. Speaker, yesterday I met at least 1,000 people in my riding. I attended the Remembrance Day ceremonies, when everyone displayed a reverent silence, following the church service. In the evening, I met about 500 mothers, members of the Daughters of Isobel Order. We did not meet just for fun, we met to think about the future of our country, about the role of the mothers and, Mr. Speaker, we came to the conclusion that we must take the necessary steps to guarantee them a sufficient income. They have an important role to play in our country because without them, there will be not Canada.

The rights of the mothers, those who accept to give birth, must be recognized with legislation. We must make sure that they will not fear tomorrow, that they will have enough clothing or enough money to buy food for their offsprings.

However, if our country was lacking natural resources, one could say: We must share, we must deny ourselves for one another, but this is not the case. Mr. Speaker, in our country, we are presently punishing those who produce, he or she who gets up early in the morning to go and work for 10, 15 or 20 hours, we punish these persons more than the ones who refuse to go to work. Let us take the case of the dairy producers in Canada. I do not want to indulge in petty politics but I would like us to be realistic. Those people have been managing their businesses for years, looking for ways to improve them, to make them more profitable, to provide a livelihood to their small communities. Automatically, they had to expand with time, the business was sound, with a climate favourable to farming entrepreneurship. But now we have a policy punishing those who produce. Not only are they punished, but revoltingly the milk they produce is not paid, and on top of that they incur a penalty for producing.

This is totally irrational, when it is known for a fact that even in this country there are families and small children that are not provided on a daily basis with enough food to fill their stomachs. Some may point to Christ saying that there will always be poor people among us. But he never said to the House of Commons; Thou shall enact laws to be poor people. We must not make Christ lie. What is our role? It is to look after those people, those groups of Canadians who do not have the talents, the opportunity to get out of a situation which we might not accept ourselves. What is our role? It is to accept what Providence sends us, to distribute it in a fair way satisfactory to the people.

Admittedly, we are facing difficult times, but those who lived through the 30's should remember those years. I remember something that happened on October 29, 1932 when I had nothing to eat in my hut. I remember I had the good fortune to see a deer two acres away from my house. I had a gun, and I got it. But one hour later came a game warden, asking if I had a permit. I said yes, my permit is being able to get the game Providence sends me. He told me: I have to seize your deer, because you have no permit. Well, I was not a revolutionary, but this I answered: "My friend, I don't know you. You may have authority, but I will tell you this much: The man who will carry the deer, away, the man who will take it away from my stomach, he isn't born yet. Do you understand?" Well, we understood each other, and finally he decided to leave it there. I shared it with the families around, because it was a gift of God. So we must now do the same thing.

Today, circumstances have it that I am here as a member of this House, like every other member, to speak and make laws in the name of my fellow citizens, in the name of Canadians. We must always make laws to ensure minimum of security to the smallest person in our society. Let others be millionaires, that does not matter as long as the smallest in society is assured of the bare essentials. Canada can do that.

As I said, Mr. Speaker, I cannot accept that family allowances are not indexed to the cost of living. Surely there are numbers of other ways to practice restraint other than at the expenses of Canadian families. The government should refer to the Auditor General's reports which I had the opportunity to read since I came to this House. The Auditor General of Canada has made suggestions year after year to indicate to the government where there is squandering, where savings could be made, but the government has failed to act upon them. The Auditor General does mention in his reports: "I do not have the necessary staff to work more efficiently." And he has been requesting additional staff to enable him to perform a truly responsible work and ensure an adequate management of our national affairs in co-operation with the government. It is stated in the Speech from the Throne that the government is willing to grant additional staff to enable the Auditor General of Canada to do his work in the best interests of the nation without consideration for the government.

● (2120)

Mr. Speaker, I cannot bear the sight of so many young men and women whom we have raised, educated, clothed and sheltered, their arms full of diplomas wander from one Manpower centre to another. Some of them call on the personnel directors of various companies and are given this answer: Sir,

do you have any experience? Miss, do you have any experience? One must be naive, Mr. Speaker, to ask that question to a student who tells you: I have just completed my studies. I have a diploma, I did my best, so I am available now on the labour market. And then, he is asked stupidly: Do you have any experience? It is simply killing. They do not understand anything! That is the kind of reasoning. If we really want to develop our labour, our youth for the benefit of this country, let us start by giving them a chance. Let us start by opening them some doors, and then we will see whether they are likely to acquire some ability. They will probably do, and we will then have an opportunity to use our human resources for the benefit of the development and advance of this country.

Mr. Speaker, I do not understand that a government prefers to hand out unemployment benefits which are often more costly than wages paid in local industries, that they agree to support strong young people through welfare, whereas we spend half a million a day, or if we spend $1 billion a year to pay for benefits, for allowances to people who do nothing, why should we not be clever enough to take the risk of paying the same amount and enable these people to use their intelligence, their skills, the diplomas they have received? It seems to me this would be appropriate in difficult situations.

I, for one, do not always blame private enterprise, Mr. Speaker, because according to available data, the private sector provides 60 per cent of all jobs in Canada. But because of the various pressures it is subject to, this sector ends up being less effective, and this is why the number of unemployed increases, even though some governments boast that they have created 100,000 or 200,000 new jobs this year. This is not what is important, Mr. Speaker. We must consider each year how many healthy people are really at work and productive. This is why I am not very pleased with the provisions of this bill, if we have to impose restraints of this kind under the pretence of saving some money.

We have something tremendous to build in Canada. We have lakes, the St. Lawrence River, the oceans. God has been good to us. We could very well have our own merchant marine. But to build that, we need human resources. We have men, qualified solderers, mechanics, why not put them to work building a merchant marine for our country? It seems to me quite logical.

Mr. Speaker, I would not want to act like a demagogue and accuse governments of all the sins of Israel. Not at all, but let us make it quite clear that basically, the actual problem is a dollar problem, a money problem. And if we are aware of this money problem, aware that our financing system up to now has not adequately safisfied our country's needs, let us be honest and reform it. Let us take a chance, things could not be worse than they are now, because, Mr. Speaker, this government, the government of Canada, under the pretext of helping the provinces, I explained it on November 5, under the pretense of helping Quebec build low rental housing for retired people, they are claiming a 17 per cent interest rate. When a government has to pay 17 per cent interest rate to build public utilities, how could private enterprise survive with a competitor like that? It is in that direction, Mr. Speaker, that we ought to direct our research.

We shall find out things pretty quickly. All we have to do is follow the indications of the Auditor General of Canada, and listen to the well informed opinions of some free economists, I do not mean economists who allowed themselves to be bought out, who are working for loan sharks, I mean really free thinking economists, objective economists who are able to view the economic situation in its real context and provide public administrations with means to make our economic system and all our activities more efficient, so that we stop talking nonsense, wasting away our energies to try to put bandaids on a wooden leg.

There was an old beggar in my parish who had a wooden leg. Even if he had put bandaids on it every day, it would still have been a wooden leg. The same goes for us. If we put bandaids on this and that, on things, means, systems that give no results, what do we achieve? Let us change method.

That is what I am suggesting to the government, this evening, on the occasion of the debate on Bill C-19. Mr. Speaker, you who are listening to me, for the love of God ask His Honour the Speaker of the House to bring back to Parliament Bill C-206 as soon as possible that we might continue to study it in depth, in order to find some solution or other that would enable the government to give administrative results of which the people can be proud. I could not care less what party does it; whether it be the Conservatives who perform the reform, I would rejoice, whether it be the NDP, I would rejoice, and whether it be the Liberals, I would be happy; just as long as something positive, concrete is done. It is the results that count. It is the results that we want.

I do think, Mr. Speaker, that we have here an intelligent assembly. In fact I know all my colleagues of the House quite well; I have always had considerable respect for each and everyone of them.

We can have different opinions but we must not disagree on the means to meet the objective. I worked a lot in the building industry and I happened to have foremen who had opinions which were different from mine on how to erect a scaffold, but the objective was not the scaffold, the idea was to be able to put the roofing and the last layers of bricks; this was the objective. If we are in Parliament, it is to build, no matter what materials we want to use; it is our objective that matters.

The objective, Mr. Speaker, is to give our country a sound administration, to give our young people, our children who are going to survive us, a heritage of which they will be proud and then they will say among themselves: do you know that these people were not that foolish; they did not have the education we have, they did not have the advantage to wear out as many seats in universities, but they used the little education they had to make something really positive and then they will say: it is not as bad as all that; we must do better.

And with this in mind, they will go on with renewed vigour instead of being discouraged as they are now because it is discouraging to see them act the way they do. I see it every

weekend. I meet the man on the street, Mr. Speaker, because we must go down to the grassroots level, hear what people are saying and open our eyes. We must be able to understand them better.

I am not pessimistic by nature, you can be sure of that. I have faith in my country's future, but we must wake up, bring about the necessary reforms while it is still time. And one such reform would be to eliminate the provision with regards to family allowances so that they can be indexed even for 1976. If we could finally realize this, we would show that we really intend to build our country on that most precious, fundamental unit that we call the family and Canadian mothers would not be afraid of having another child and perhaps we would hear a little less of suicides and abortions.

● (2130)

[*English*]

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I do not expect to be as eloquent or as boisterous as the hon. member for Bellechasse (Mr. Lambert), partly because I acquired a head cold while attending ceremonies on November 11. Nor shall I attempt to say much about the hon. member for St. John's West (Mr. Crosbie) whom I congratulate on his maiden speech in the House today. However, since he was not able to stick to the facts and, I would say, distorted the position of the federal government in the field of expenditure, I shall return to the hon. member shortly.

I intend to follow the line taken by my hon. friend from Comox-Alberni who drew attention to certain very beneficial aspects of Bill C-19. I do not mind telling the Canadian people that I am happy to enter the debate this evening to speak in favour of that bill.

On December 18, 1975, among the many steps the government was taking to bring inflation under control, certain reductions in planned government expenditures for the fiscal year 1976-77 were announced. These reductions were categorized as the deferral of planned expenditures, the elimination of planned expenditures, and the elimination of activities. This was not something the political party which happens to hold power was anxious to do. Obviously, with the majority we have in the House and the able politicians we have in this party, we were not interested in bringing in restraint legislation. However, I am satisfied that the Canadian people appreciate the beneficial effects which will come about economically as a result of the steps taken. This bill is an example of leadership, which is what the Canadian people wish us to exercise.

The steps taken to reduce expenditures involve measures to terminate various programs which were felt, in some instances, to have worn out their effectiveness, for example, Information Canada, the Opportunities for Youth program and other agencies. We shall see them, no doubt, in the not-too-distant future in other forms as various aspects of those programs are reintroduced in co-operation with the provinces, picking up where we have left off.

The total reduction in planned expenditures on these and many other items was about $1.5 billion, of which slightly more than half corresponded to reductions in budgetary expenditures; the rest were reductions in non-budgetary expenditures. Had these reductions not been imposed, the main estimates which were tabled on February 18, 1976, would have been about $1 billion higher than they were, and the capital budgets of Crown corporations, which are approved by orders in council and which are tabled in the House, would have been about half a billion dollars higher.

Levels of expenditure affecting some of the items involved in these reductions are regulated by specific provisions in acts of parliament. To effect the reductions it is necessary to amend these provisions.

Hon. members will recall that the bill before us, or a similar bill, was given first reading on March 8, 1976, but was not proceeded with prior to the summer recess or the end of the last session. Consequently a bill with minor revisions, but substantially the same, was given first reading on November 1, 1976. The revisions relate to the effective dates of certain amendments. The purpose of the omnibus legislation now before the House is to provide the authority necessary to enable certain reductions in planned expenditure to be made.

One area of attention is the Adult Occupation Training Act. As one coming from the province of New Brunswick, I say, of course, that anything which can be done to assist our people in preparing them for jobs is to be encouraged. As hon. members know, the Company of Young Canadians is, of necessity, eliminated along with other large programs which we all supported; however, ways will be found, in co-operation with the provincial governments, to provide effective assistance for young people through various other programs.

I do feel we have shown an example of good leadership in being able to put the lid on certain programs and bring in these restraints. We are asking the Canadian people to understand that these measures are absolutely necessary in order to maintain the stability of the economy.

I turn my attention again, to the hon. member for St. John's West. A former Liberal, he sits now as a Conservative who was minister of finance in the province of Newfoundland. This afternoon he took it upon himself to criticize the regional development program introduced by this government. What else could this be but blatant hypocrisy when one considers the amount of federal money being poured into the Atlantic provinces?

In New Brunswick, 50 per cent of the total budget of about $1 billion is provided by federal dollars through the equalization grant. In Prince Edward Island it is 75 cents on the dollar. In Nova Scotia one third of a total budget of $800 million is federal money. The same situation exists in Newfoundland where something in the order of 50 per cent of the budget consists of federal money. What has the hon. member for St. John's West got to complain about or criticize when assistance is given to his province on that scale? I fail to understand how the hon. member could take the opportunity afforded by his maiden speech to make such contradictory statements as he did, attacking the very government he has just left, attacking the Moores administration.

If the Moores administration is poor, why should the hon. member come into this House and criticize the federal government without mentioning the billions of federal money which are going into Atlantic Canada to assist provincial governments in almost every phase of their activities—education, health and welfare, infrastructure, transportation and so on? Identify any area you like and you will find that the majority of the dollars going into that program are federal dollars.

I have talked about equalization payments but I have not said a word about the DREE money which is going into his province. It is time it was stated publicly that we should be proud that we are putting this money into places like eastern Canada to assist people in Atlantic Canada attain the same standard of living as the people of Alberta.

● (2140)

I wonder why the Leader of the Opposition (Mr. Clark) does not talk with the premier of Alberta and some of his people in that province who last year told us in the east to freeze in the dark. Has he said anything about assisting us through the use of natural resources, which are Canadian natural resources? As Canadians we are entitled to share in the benefits derived from those resources. But no, Mr. Speaker, the premier of Alberta wants to salt the money away and get interest on the investment at the expense of Canadians. I submit there is a heavy onus on the Leader of the Opposition to speak to the premier of Alberta, since they are of the same party faith. The hon. member for St. John's West would also be well advised to speak to those in other provinces if he wants to cry about the problems in his own province.

As I said earlier this evening, I support Bill C-19 because these are measures that the Canadian people want the government to take. We have reduced federal expenditures to the tune of $1.5 billion. It would be nice to spend $2 million, $5 million or $10 million in some of these small municipalities, but people will always keep demanding more and more services, more of everything, and we all know there is no bottomless pit. There must be a halt to these kinds of pressures.

When one realizes what it costs to operate this House, Mr. Speaker, it is sad that no reasonable suggestions come from the other side. I wonder why the official opposition do not put forward reasonable alternatives if they are concerned at the expenditures of the federal government. Why do they not come to grips with the realities of life in Canada today? Why do they not accept their responsibility and be serious about providing a reasonable opposition in this parliament?

I am convinced that the steps being taken today as a result of the dynamic leadership being shown by the government will be proven in years to come to have been necessary measures to take at this particular time. In the province of New Brunswick federal money is pouring in, but what is the Hatfield administration doing with its allotted federal funds? Some $9.5 million are being allotted to bilingualism over and above the half billion dollars provided New Brunswick in the form of equalization payments, and over and above all the DREE grants, the $35 million spent on water and sewage systems, the $60 million poured into route 11 for the construction of the highway between Moncton and Campbellton, in regard to which that particular Conservative administration has been dragging its feet, refusing to accept its responsibilities, its promises and commitments to the people of the province. The members of that administration have failed miserably in carrying out their duties in office, duties they promised to perform at the last provincial election.

I am convinced, Mr. Speaker, that all members must accept the fact that large amounts of money must be poured into areas such as Atlantic Canada. The day will come when the hon. member for St. John's West will have to reconsider some of the statements he made this afternoon. He did not take the opportunity to tell the House that Mr. Smallwood and the two or three members of his independent party have just recently returned to the Liberal party in Newfoundland. In view of the stature and character of a man like Mr. Smallwood, the hon. member for St. John's West should get in touch with him and discuss his political philosophies. Perhaps he will see the error of his ways and, having gone from Liberal to Conservative, come back to the Liberal side again, where obviously he should have remained in the first place.

Mr. Knowles (Winnipeg North Centre): La même chose.

Mr. Harquail: The hon. member for Winnipeg North Centre (Mr. Knowles) says, "La même chose." I would agree with him, as I have the pleasure of doing from time to time when he brings forward reasonable suggestions in the House.

I want to take the opportunity this evening to say how important it is that the money saved through the cutback in expenditure be directed to those areas that need additional financial support. We have talked about provinces that are better off than other provinces, and in the riding I represent we need every dollar we can get in order to survive and to develop at a pace that will ensure our survival in the future.

I agree with the government that it should make cutbacks in the civil service. In view of the over-expenditure and abuse that has taken place in the civil service sector, there is no question that we must take dynamic action and see that various positions are analysed and, where feasible, cutbacks are made. In almost every department one can find inefficiency and low production. We would be well advised to make some additional in depth studies in this regard because I am confident that there are some more savings to be made which would reduce federal expenditures in this time of restraint.

In recent months even people in the labour movement have spoken of the benefits coming from the restraint program. Recent statistics bear this out. I am not referring to political statements by the government; these are facts, and they show that the program is working and that the people are satisfied with the action that has been taken by the government.

I would not want to miss this opportunity as a member from New Brunswick of saying I support the decentralization program. Not only do I support it but I am very interested in where jobs will be relocated. One of the first moves that was made was to Matane, Quebec. Then another section of the

civil service moved to the greater Moncton area and then into the Bathurst area. I think this is good. Not only should the government go to Atlantic Canada but also I agree with some of the previous speakers who suggested that some of these offices and departments should be moved to western Canada.

● (2150)

I am certainly convinced that the offices which are being decentralized can work very efficiently for the Canadian public in New Brunswick, in Prince Edward Island, in Nova Scotia, in Newfoundland or indeed on the west coast, just as they can here in the nation's capital, Ottawa. I understand the concern of the local people. Naturally there would be concern by the mayor and the people in the area about space being left vacant because of the movement of the people. I understand this and am most sympathetic about it. No one wants to be moved or disturbed, but of course there must be some understanding and realization of the situation. There are the realities of the thing.

The government has not said it intends to move all the departments from Ottawa. However, when the media and others become involved it sometimes seems as if the government is moving toward decentralization of all agencies, Crown corporations, and departments to some other part of Canada. This is not true.

There has been a well considered plan in respect of the movement of some branches and departments to other sectors of Canada. Why not? As I mentioned in respect of fuel, Canadians in eastern Canada are entitled to enjoy the benefit of the natural resources in Alberta, just as the people of Alberta, British Columbia or Manitoba would want to enjoy the natural resources we have in Atlantic Canada. We share these things. It is a two-way street, and should be. This is the way it should be if we are to have a good strong country.

Notwithstanding the results, I was surprised that throughout the election campaign which was conducted in the province of Quebec we did not hear much reference to the federal money that has gone to that province, and to the specialized programs such as DREE and so on through which the federal government assists the provincial government. Depending on the final result we will have to take a serious look at all these projects and the way in which they affect all the provinces and the territories.

To use an expression used by members of the opposition, it seems passing strange that it is very convenient to talk all around something and not tell the truth about the actual programs that are being implemented and the number of dollars that go into the provincial programs from federal funds.

It certainly can be said in respect of my province that the Conservative administration in New Brunswick has not said one word about the 50 per cent of the budget that comes into the province is federal money and DREE money. The administration conveniently forgets to mention the number of federal dollars involved in provincial programs.

I want to conclude my remarks by re-stating that I support Bill C-19 just as I support all the other comprehensive federal government programs that are being administered today.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I am pleased to have the opportunity to correct the record in respect of statements made by the hon. member for Restigouche (Mr. Harquail) and the hon. member for Gloucester (Mr. Breau). The hon. member for Restigouche used the phrase "tell the truth". It is encouraging to hear one member on that side of the House use such phrases. Now all we have to do is impress on members opposite that they must understand the meaning of such phrases so that Canada and Canadians will have an opportunity to enjoy the benefits which should be ours as a result of an intelligent government. This government has just become a leaky utensil which can no longer hold water. It plugs a hole here, and then the water runs out somewhere else. This is what has happened.

This afternoon the hon. member for Gloucester said that the government had to have increased revenue. I should like to refer to the increased revenue that has fallen into the lap of the government. In 1969 from all forms of tax, municipal, provincial and federal, the Canadian people paid $24,914,000,000. In 1974, five years later, this figure had almost doubled to $48,461,000,000. The question we as legislators have to decide is how this money will be spent. This is a very important issue. Perhaps the government does not understand how this money should be spent.

There are many ways in which money can be wasted. The vessel is leaking so badly it can no longer hold water and it is therefore spewing out all over the place. We must realize that this government probably is one of the most wasteful governments Canada has ever had trying to govern this country. Every member on that side of the House is living a lie because of the fact that he was elected by misrepresentation, both in respect of the issues and otherwise, because of the fact that the Prime Minister (Mr. Trudeau) stated time and time again that he was opposed to controls in Canada and then, a few months after the election, the government brought them in.

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

* * *

BUSINESS OF THE HOUSE

Mr. Paproski: On a point of order, Mr. Speaker, I should like to ask someone on the government side what the business will be for tomorrow and possibly for the balance of the week if the Prime Minister does not plan to issue a writ and go to the people after the results of this evening in Quebec? Is there someone over there who can tell us the business of the House?

Mr. McRae: Mr. Speaker, I understand that tomorrow we will continue with the discussion of the bill we have had before us today.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

VETERANS AFFAIRS—SUGGESTED PRORATA PENSIONS FOR WIDOWS OF VETERANS WHOSE PENSIONS WERE LESS THAN FORTY-EIGHT PER CENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, one of the things I have learned during the years I have been in this House is that if one has a good cause and stays with it long enough he will win. The sad part of it is that sometimes it takes a lot longer than it should but in the end persistence pays. So it is that the Minister of Veterans Affairs (Mr. MacDonald) and I are here tonight to discuss a good cause and I dare to hope that he and I agree that it is a cause that must be won.

● (2200)

My appearance on this late show arises out of a question which I put to the minister on Thursday, November 4, as reported in *Hansard* at page 756. My question was in the following terms:

Since Remembrance Day is only a week away, will the minister consider, in honour of that day, the introduction of legislation to provide prorata pensions for widows of veterans where the veteran's pension was less than 48 per cent?

The answer was as follows:

HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): Mr. Speaker, it is under consideration by the government, as is other legislation.

I had a supplementary question which pressed the point that something might be announced before Remembrance Day. I regret to say that that did not happen, but I hope that the delay with regard to this matter will not last much longer.

As most hon. members know, certainly all of us who are interested in veterans affairs, there is a provision in the Pension Act for a widow's pension for widows of veterans who were in receipt of or were entitled to receive disability pensions. However, the very strict provision in that act is that if the veteran's pension was less than 48 per cent, there is no pension as a matter of right for the widow. Let me repeat it. If the veteran's pension is 48 per cent or more, the widow gets the full widow's pension provided under the Pension Act, but if the veteran's pension was less than 48 per cent, she gets nothing under that legislation.

For many years it has been felt that this is unfair, and it has been recommended a good many times that this unfairness be corrected. One of the most thorough examinations of this question was made by Mr. Justice Mervyn Woods, and in the Woods report there was the clear recommendation that the 48 per cent rule be changed. In a more recent report, namely that by Dr. J. Douglas Hermann on prisoners of war in Europe, there was an ancillary recommendation that this 48 per cent rule be altered and that prorata pensions be provided for

widows where the veteran's pension was less than 48 per cent. To my knowledge, at least three or four times the Standing Committee on Veterans Affairs has recommended in favour of the very thing that was proposed by Mr. Justice Woods and by Dr. Hermann. Each time that the committee have voted on this issue, we have in fact taken our stand for prorata pensions for widows of veterans in the case where the veteran's pension was less than 48 per cent.

The rule that is there now comes from a day when, generally speaking, pensions for widows were a lot less generous than they are today. They are still not generous enough, but this rule comes out of a bygone day. In these days we realize that if equality between men and women is to mean anything, we have to do better for our widows. I suggest that the best place to start to achieve full equality and a proper deal for widows is by action of the government itself under the Department of Veterans Affairs. I firmly believe that we will win this some day. I believe that the minister in his heart wants it just as much as I do, but he has trouble with those cabinet colleagues of his who are forever holding him back and telling him he has to practise restraint. There is no fairness in this provision which denies widows any pension at all if the veteran's pension was 48 per cent or less, and it must be changed.

Let the minister not tell me about the War Veterans Allowance Act. I know all about that and I know the other provisions that are available, but it means something to a veteran's widow, as it does to a veteran, to have a pension as a matter of right under the Pension Act, and I want to see it extended to cover all widows, including those where the veteran's pension was below the 48 per cent level. That would seem to make sense, at least as a start, and I hope the minister will be able tonight to indicate that he does agree with what Mr. Justice Woods, Dr. Hermann and our committee have recommended, and that just as soon as he can get his fellow cabinet ministers to see the light he will bring in the necessary amendment to the Pension Act to provide adequate pensions for the widows of Canadian war veterans.

Hon. Daniel J. MacDonald (Minister of Veterans Affairs): Mr. Speaker, it is a pleasure to reply to the question of the hon. member for Winnipeg North Centre (Mr. Knowles) regarding the suggested provision of prorata pensions for widows of veterans where the veterans' pensions were less than 48 per cent.

The government is aware of all the recommendations which have been made to provide prorata pensions for widows of disability pensioners. At the present time a widow would be pensioned if her husband's death was attributable to service or was incurred during wartime. In addition, if her husband's pensionable disabilities were assessed at 48 per cent or more during his lifetime, she would be eligible for a widow's pension.

This percentage was selected because at that rate the veterans were obviously seriously disabled, and it was considered that the pensionable condition might play a part, however small, in the pensioner's death. On the other hand, if someone is pensioned at 5 per cent for flat feet and dies from a different cause, his death bears no relationship to his pensioned condi-

tion, and the question arises as to whether a pension should be paid for an unrelated death.

Canada does not take a back seat to any country in so far as our pension legislation is concerned. The benefits we provide for the disabled servicemen or women or their surviving dependants are far greater than those provided by most other countries. I am not aware of any of our major western wartime allies who pay automatic survivor benefits to widows approaching the 48 per cent basis which we in Canada use.

Having said that I must also say that the entire matter of veterans' benefits—and that includes prorata widows' pensions—is always under constant review by the Department of Veterans Affairs, by the Canadian Pension Commission and by the other agencies of my ministry to see what changes can be made to improve the lot of veterans and their dependants.

ENERGY—GOVERNMENT POSITION ON CONSTRUCTION OF INTERPROVINCIAL TRANSMISSION LINES

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I rise in connection with a question I asked the Minister of Energy, Mines and Resources (Mr. Gillespie) on November 9 concerning whether he was taking any action to follow up on the statement he made in Labrador last July that he favoured the approach of the federal government exercising its powers under the BNA Act to declare hydro energy transmission lines to be in the national interest, or whatever the wording is, so that they can be built across provinces, without the consent of the provinces, if necessary, in the same manner as oil and gas pipelines are and have been built.

The reason for asking the question is the very unsatisfactory position in which the province of Newfoundland now finds itself with respect to its hydro energy potential in Labrador, particularly at Gull Island, which has a potential of 1,800 megawatts of power and Muskrat Falls just downstream which has a potential of 600 or 700 megawatts, which project has been brought to a halt because of the attitude of the Government of Canada and the attitude of the government of the province of Quebec. It is somewhat a coincidence that I am speaking tonight at the moment when the government of Quebec is changing, but there is no reason to expect or hope that the new government of Quebec will be any different from the old one in this respect.

The Gull Island project would have provided 1,800 megawatts of power, of which it was planned to bring a great deal to the island of Newfoundland through a transmission line by way of a tunnel under the Strait of Belle Isle and then, of course, to distribute it within the island of Newfoundland. As the project was originally conceived, there would have been surplus energy which would have had to be sold to someone for a period of 10 to 15 years in order to make the rest of the project feasible. The only possible customer was the province of Quebec, our neighbour, adjacent to the land mass of Labrador.

• (2210)

When the project was first mooted in 1974 the estimated cost, not the detailed cost, was $1.1 billion. The Government of Canada was requested to assist in the project because the province could not finance it with its own credit. There was plenty of precedent for this, including the Nelson River development in Manitoba where the federal government advanced the total financing for the transmission line by way of loan. The government of Newfoundland requested treatment less generous than that.

In the event, after the estimates had gone to $1.47 billion for both the hydro generation and transmission part of this project and the tunnel, the federal government agreed on February 10, 1975, to lend 50 per cent of the cost of the transmission line up to $343 million, at Crown corporation interest rates. That was a loan, not a grant. It agreed to defer principal and interest repayments for five years after completion if a case were proven to show that was necessary, and to capitalize the interest during construction. All of this would have given us a benefit of $425 million out of the then estimated cost of $1.47 billion.

As you know, Mr. Speaker, inflation is rampant. When the final estimates on that project were completed by June, 1975, they showed the cost rising to $2.1 billion, including interest during construction, escalation of costs and the rest of it.

Any financial review showed that the province could not undertake the project without greater financial assistance from the federal government. At the end of August, 1975, the then minister of finance was contacted by letter, and I will not go into the details, with a request for greater financial assistance. In the meantime we had not received any commitment from Quebec Hydro to buy the surplus energy. They would not give us a commitment because they said they did not need the surplus energy and could not use it with James Bay coming into production, although their network to take it from Labrador to the other provinces and the United States could take all the surplus.

The authorities in the province of Quebec have always taken the position that no other province can transmit electricity across its boundaries unless it buys the power and resells it. They are in a position to dictate price to Newfoundland and to keep all the benefits for themselves if they so wish.

Since it was not possible to sell the surplus energy to Quebec and it was not possible to get an immediate answer from the federal government as to whether it would give more financial assistance, the government of Newfoundland had to discontinue the plan to generate hydro at Gull Island. It had to change the plan and ask Quebec whether it would sell sufficient power to us to construct one transmission line from the upper Churchill project so that we could bring that down and go ahead with the transmission line and the tunnel, with our energy to come from that source which they have under contract from Hydro Quebec.

The federal government told the province that it could not consider any greater financial assistance until they had settled

all these matters with the province of Quebec. The federal government put us in the hands of the province of Quebec, Mr. Speaker. That province took advantage of its neighbour and adopted a "beggar thy neighbour" policy. They finally said that for them to consent to us getting in excess of 300 megawatts from the upper Churchill project, which they had to agree to under the present contractual arrangement, they would want a boundary change in Labrador. In the alternative they wanted us to sell them 20,000 square miles of Labrador, the watershed of five rivers running into the St. Lawrence, for one dollar, and they wanted us to pay the same price for the power to be recalled from the upper Churchill as it would cost us in 1982 in Newfoundland for power. This would be 30 to 40 mills, Mr. Speaker, because in 1982 we would have to get it from oil fired generators. That is the position we were put in by the province of Quebec. They had us by the throat and did not hesitate to choke us.

The project is now halted on both counts. We cannot go forward with the transmission line and we have had to stop the hydro generation. If we are to develop the hydro generated energy at Gull Island, Muskrat Falls and other sites in Labrador and sell what we do not need to other provinces, we must have some way of getting over the territorial boundaries of the province of Quebec.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. member, whose allotted time has expired.

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Mr. Speaker, on behalf of the Minister of Energy, Mines and Resources (Mr. Gillespie) I am pleased to reply to the question raised by the hon. member for St. John's West (Mr. Crosbie). I hope that he, representing a constituency in Newfoundland, recognizes that the encouragement of co-operation between neighbouring provinces has long been an objective of the government's energy policy and is reflected in the existing regional electrical interconnection policy which offers grants for studies and loans up to 50 per cent of the cost for approved projects. Such conditions together with a grant justified by special considerations have enabled the construction of an interconnection between Prince Edward Island and the mainland. The same program provided the basis on which an offer of loans totalling $343 million was made to Newfoundland and Labrador for a transmission system between Gull Island and the island of Newfoundland.

The essential element has been the assumption that, given appropriate incentives, neighbouring provinces would co-operate in their best mutual interests, and in this connection I am encouraged by progress made at a recent meeting in Halifax. At that recent meeting federal representatives and officials of the Nova Scotia, New Brunswick and Prince Edward Island electric power utilities agreed to work out terms of reference for a study aimed at the co-ordination of electrical energy development in the Maritime provinces through extended co-operation of the three provinces and the federal government. The study will evaluate procedures and possible new corporate structures to deal with such matters as regional generation and transmission development, regional energy dispatch, and regional system planning. The study will lead to recommendations on organization, financing and decision-making on joint regional projects, and will consider co-operation with neighbouring regions.

The hon. member is envisaging a situation when the conditions for such co-operation are not present. While constitutional jurisdiction might provide some leverage in such situations there are many other factors beyond the physical construction of transmission facilities if mutual benefits are to be obtained, including co-operative planning, joint participation in selected generation facilities, and possibly shared financing. The government has a strong preference to explore the co-operative approach, and to consider exercising constitutional leverage only as a last resort.

The Acting Speaker (Mr. Turner): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, November 16, 1976

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed, from Monday, November 15, consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Gordon Towers (Red Deer): Mr. Speaker, last evening I commenced my remarks just prior to ten o'clock. I want to impress upon the House that the statements I make reflect my opinion and also, I am sure, the opinion of many hundreds of people across Canada, that this government is nothing more than a leaky vessel which can no longer hold water. In looking back over the statement made in the House of Commons by the Minister of Transport (Mr. Lang), as recorded at page 957 of *Hansard*, I find he stated:

> If the government on behalf of the taxpayers in this country wants to cut expenditures, as it does, one of the clearest places to go to work is where expenditures have unfortunate impact and where the spending is unwise or leads to extra cost than is otherwise the case.

The first question I would like to put to the minister is: How can he prove that the government wants to cut expenditures, in light of the recent publicity that was given to his travel expenses? It is almost idiotic, in my opinion, for the minister to say in the House that the government wants to cut expenditures when a minister of the Crown is spending a quarter of a million dollars a year in taxpayers' money. This has to stop. We just cannot afford it. The taxpayers of Canada cannot stand that. Further on he says that where expenditures should first be cut is where they have an unfortunate impact. This is exactly what the government is doing; it is cutting expenditures where they are having an unfortunate impact.

Take, for instance, the withdrawal of the subsidization of the flour milling industry in eastern Canada. I want to impress upon hon. members the fact that not only eastern Canada is suffering as a result of this policy of the government, but also the millers in western Canada. I have been informed that millers in western Canada will suffer more than millers in eastern Canada. I think the government should explain to this House just where this burden will fall.

When the minister found out he was in trouble on the issue, he said the government would institute a new program which would cost $9 million. I have seen some of these programs which the government said would cost so much. Let us consider AIB which employed 200 people to administer its program at first. Now the personnel number around 1,000, five times the original number, within the first year. When the minister says in the House that the new program will cost $9 million, I just do not believe him, neither do a great many Canadians. The minister went on to say, "... and where the spending is unwise or leads to extra cost than is otherwise the case."

● (1110)

What could be more unwise than an hon. member spending money to travel back and forth to his constituency by private jet when there is accommodation provided by common carriers? We have Air Canada and CP Air. There are two means of travel open to the minister, and there is travel accommodation to the city of Saskatoon. The statements of the minister do not hold water, and I am sure the people across Canada recognize that. The minister went on to say the following:

> That really means it is not just a matter of who pays—between the taxpayer and the person who is asking for the service or using it—but whether the lowest possible amount is in fact incurred.

If that is not a joke, I have never heard one. When the minister can spend $7,000 on a trip from here to Saskatoon, when he could take a common carrier for less than $300, how in the world can he say that he is using the least expensive means and that the lowest possible amount is incurred? That is nothing short of a joke. That is why I say that the government is becoming nothing more than a leaky vessel.

The government is pouring cold water on incentives to work. People are losing faith. There is distrust in Canada. We are suffering a rate of inflation which is not acceptable, and it has put us beyond the cost factor in other countries in production and living. We cannot survive under that and we have to realize that the policies of governments have a great deal to do with the problems we are undergoing at the present time. The taxation policies of governments are very important. That is why we are debating this bill at such length. There are many ways in which the government could move in order to implement policies and means of taxation which would be beneficial to the people and not necessarily an increasing load for them.

In my remarks yesterday I stated that in 1969 the accumulated taxation by all levels of government totalled $24 billion. Five years later, in 1974, the accumulated total was $48 billion. The people of Canada cannot stand this kind of taxation without getting some return. When I say that the government is pouring cold water on incentives, this is exactly

what is happening. It is destroying the incentive to work and to produce. When the Minister of Agriculture (Mr. Whelan) came into this House he went across the country asking farmers to produce to beat the band. We all remember that. Now he is telling them to cut back. What better way is there to destroy incentive than to do that? When a minister does that, he destroys the faith of the people in any form of government. When we cannot find honesty in the higher echelons of government, how can we find honesty in other segments of our society? One of the worst things which could happen to Canadians would be to learn how to be dishonest. Once people become dishonest, they lose their worth—and this we cannot afford.

How can we measure the worth of the programs governments are instituting? This is one of the main problems the Auditor General has to face. How do we measure the worth of any individual in a department? How do we measure man-hour worth? This is a very complicated subject which deserves consideration, and this government would do well to work in conjunction with the Auditor General to devise programs which can be set in place whereby there can be a certain measurement of the man-hour worth of civil servants within departments. We, as members of parliament, are a cost to the taxpayer, and when I discuss the worth of anyone, members are included. I have to think about the expenditures which are paid by the taxpayers. Certain publications come to our desks and sometimes I think that the government is penny wise and pound foolish. How do we deal with items which the government considers petty, when $1 million means so little to it? In many ways there could be a considerable amount saved.

The press carried a story to the effect that a grand move had been made by the government to save paper by using both sides of every page. I suggest that the number of pages should be considered first; then using both sides might have some impact. I doubt if any member of parliament could estimate the number of tons of paper delivered to his office by hand or by mail in any given week. I want to mention a few unnecessary documents or papers which could be eliminated or decreased. Perhaps this will make government members realize that we on this side are making observations and suggestions to the government which it can use in order to cut down expenditures. We do not need copies of speeches or statements delivered in the House of Commons. That is a waste of time and a complete abuse of paper. *Hansard* gives us this information.

I have here a speech in very colourful form. It was a speech by the Minister of Consumer and Corporate Affairs (Mr. Abbott)—who is a good fellow—at second reading of the borrowers' and depositors' protection bill given on November 1, 1976. All that is in *Hansard*, so why do we have to have it delivered to our offices? The Minister of National Health and Welfare (Mr. Lalonde) addressed a national conference with regard to mental retardation. We received that address in both English and French. There are few hon. members in this House who read both versions. Surely they read only one or the other. Hon. members should request which version they want. I agree that they should have either one, but I think it should be the responsibility of hon. members to request whether they want English or French speeches delivered to their offices. That would prevent much paper from going into waste-paper baskets.

I suggest that speeches delivered by members of the cabinet, their parliamentary secretaries or representatives should be supplied only to hon. members who request them. Even if hon. members had time to use documents and speeches in either English or French, no one should receive copies in both languages unless there is a specific request. A circular to each office with simple questions would take care of that duplication.

Large numbers of envelopes come to our offices, and they are sized 8½ by 11, 15 by 9½ and even bigger on occasion. They are used to deliver just one sheet which, if folded, would fit into a No. 9 or No. 10 envelope. That happens on a continuing basis. The Public Service Commission is one of the chief offenders. Time and again competition posters of one or two pages are sent out in 15 by 9½ envelopes. Thousands of them go out across Canada daily. The waste is incalculable. I have one here. There seems to be no will on the part of government departments to cut back this extra cost.

Then, of course, there is other dressing-up which is wasteful. I refer to the use of heavy and unusually glossy folders which enclose pamphlets, speeches and other information from departmental branches or government offices, usually of ministers. These are useless and unnecessary and I wonder why they are ordered at all. I and other hon. member have examples of these. I have one here. It is from the Unemployment Insurance Commission. Another is from Information Canada. So it goes, Mr. Speaker. While I realize and understand the importance of publishing reports, background papers, books and other documents in two languages, surely every person, whether in parliament or not, would be satisfied with one copy in one language. More often than not, one copy is thrown out if for no other reason than to save space in the office. I am sure I am speaking about something of which all members are aware. As members of parliament, we have to take issue with this because if we are to cut back we have to do it in these areas where it will not affect the development of our country.

• (1120)

I am very sure that these are the areas governments will have to look at in order to get away from the terrible deficit which faces us at the present time, and possibly again next year. Canadians are getting sick and tired of being taken for a ride—whether it is by "Langair," "Lang rent-a-car", "Lang's fliers", or what have you. They are just sick and tired of the way their tax dollars are spent.

After those preliminary remarks, Mr. Speaker, I want to get down to why I oppose this bill. One year ago the minister in charge of the Canadian Wheat Board was adamant about bringing the grain stabilization bill before this House. Now he wants to renege on the government's payments into that stabilization fund. He is demanding that producers pay their

share, which could amount to $50 million per year according to his parliamentary secretary. The government must—and I emphasize this—be held responsible, and this portion of the bill must be deleted, because grain producers are going to lose faith in the government if they do not receive fair play.

Promises are not good enough—promises that three, four, five or six years ahead the government will have not only to pay in their portion to the fund but also will have to reimburse the treasury for that portion for which the producers may be liable. I am sure everyone realizes that our economy will not be in good condition if the time ever comes that we have to pay out from this fund. It means our economy is going to be in the doldrums and will be a load on the taxpayers if it has to pay back money which should have been paid in this year or next year as the program continues.

If the government cannot afford to make the payments now when times are good, how will it make them when the going gets tough, Mr. Speaker? It is irresponsible for any government to bring in this type of legislation and renege on payment. This is not the way business operates in Canada. What would happen if a business reneged on payment of income tax? The Department of National Revenue would move in and freeze its bank account. I am sure all members of parliament have had to deal with such situations.

If the federal government, through the Department of National Revenue, has the right to freeze bank accounts and finances of citizens, those citizens should have the right to move in and freeze a certain part of the revenue of Canada. We have to hold this minister responsible for at least this part of the bill, Mr. Speaker. It is of fundamental importance that we do not allow the government to adopt this unbusinesslike practice of delaying payments which are due. I am sure even the hon. member for Assiniboia (Mr. Goodale) would agree that at all costs the government must make its payments current, and keep them current, because the fate of producers is at stake.

The cost of farm labour is increasing and it is becoming more and more difficult to get people to work. I think that is true of industry as well. I am sure all members realize that it is becoming difficult to get educated people, trained people and technologists to do the jobs which are required in business in this country. It has been said, and I think correctly so, that a person has to be re-educated, that life is a continuing sphere of education and that we have to develop certain educational attributes five or six times during a lifetime.

It would, therefore, seem penny wise and pound foolish for the government to cut $20 million from the Manpower training program when labour, business and agriculture are demanding a higher degree of technical ability. While this $20 million is being cut from the training program, the budget of the unemployment insurance fund is being increased by $700 million. This just does not make sense, Mr. Speaker. Surely we are moving in the wrong direction. We should be retraining personnel and giving them the opportunity to work into our technical system. If we are to continue in the forefront of technology in the world today, we must continue to train people. We must adapt to situations and circumstances and participate in the development of this land of which we are so justly proud and in which we all have the right to participate.

Mr. S. Victor Railton (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it is interesting to hear the opposition criticizing and attacking. That is their function, I suppose; but if they would be a little more practical and offer some real suggestions, I think they would be well received not only by the government but by the people of Canada.

As far as the restraint policy is concerned and the way it is outlined in Bill C-19, it embodies a firm intention to reduce spending, not only the budgetary and statutory items but also non-statutory items. The budget has been increasing at a rate of 20 per cent to 24 per cent, but it will be cut down to 16 per cent.

Of course, the government does not admit, nor does any economist, that government spending is the cause of the present level of inflation. We must keep repeating this because people try to cloud the issue by saying government spending is the cause of the trouble. I repeat, inflation is worldwide and it was going up at an acceptable, although deplorable, rate even before the OPEC countries quadrupled oil prices. Since that price rise came into effect, inflation has run rampant. Even so, this government has led this country down a well-lit path of economic stability. It is about time hon. members opposite realized this.

• (1130)

The government is being criticized for its record on unemployment, but one must realize that our record with regard to the rate of increase of unemployment is still one of the best in the industrialized western world. Naturally, an unemployment rate of 6 per cent or 7.5 per cent is not acceptable or desirable, but if you want to be honest you will concede, after examining all the facts, that our record is among the best. The same can be said of our rate of inflation and standard of living.

Mr. McKinnon: We are not number one in that regard. The United States is number one.

Mr. Railton: The hon. member says the United States is number one. I expect hon. members opposite to criticize us, but I would prefer hearing good advice which we could follow. I have heard hon. members opposite offer much criticism, but since 1972 I have heard few suggestions as to what they would do if they were in our place. One wonders how gullible the opposition thinks the people of Canada are. Of course, not only opposition members opposite criticize us; the media also acts as a secondary opposition, taking it upon itself to criticize the government when it thinks we are not doing an adequate job. Mr. Speaker, we can take criticism because we know we are providing good government.

We must realize that democratic government in any country of the industrialized world is a most tenuous affair these days. I should like to know what the opposition would do if they were in our place. I keep asking the opposition that question

because it is important to know the answer. I think opposition criticism leads to misrepresentation of certain facts and this troubles our electorate. If the opposition were honest, it would say what it would do if it were the government. As soon as we hear honest criticism we will provide the appropriate answers.

Mr. Mazankowski: You people are not experts in that field.

Mr. Railton: The people of Canada are in favour of stable government and do not believe conditions are nearly as unstable as hon. members opposite make out. Part of our present-day troubles may be blamed upon the absolute misrepresentation of facts and twisting of truth. This must stop. We need statesmen—and I do not see many on the other side of the House. Actually, I should like to know when hon. members opposite are going to produce one statesman.

Mr. Towers: There are more on my side than there are on yours.

Mr. Railton: Let me now deal with the government's proposed cutbacks. The government, in trying to reduce spending, will divert certain expenditures, eliminate others and cut down on certain activities. The first step was taken some time ago and was rather painful. The salaries of members of the House of Commons and the Senate, of judges of the Supreme Court, the Federal Court and provincial superior courts and of senior public servants were frozen. That was supposed to be a good example for the rest of the country, but perhaps it went unnoticed. I do not know if we received any thanks for our gesture.

The government has decided to terminate the Opportunities for Youth program, Information Canada and the Company of Young Canadians. Opinion on such programs and agencies was somewhat divided. Perhaps they would not be discontinued if there were no need for restraint. I think they were all examples of a broadminded approach to certain Canadian social difficulties.

By not indexing family allowances, the government hopes to save $221.3 million in a year. I think most Canadians are satisfied that with unemployment insurance and other social security programs such as old age security, widows pensions and the guaranteed income supplement, we are doing our best to look after those in difficulty because of unemployment or lack of income. If we can save $221.3 million without creating hardship, I think we should do it, although I do not like cutting back on any kind of pension.

The government has also decided that it will defer or reduce loans to Crown corporations in the hope that they will get their financing from the commercial sector. We look on our Crown corporations much as we look on our LIP projects. We look askance at people who come to us in the third year of a LIP project and say they want a hand-out to keep this or that good work going. We expect people operating LIP projects to make them self-supporting within the first two years. We are applying the same reasoning to our Crown corporations and reducing the loans which will be made available from the central government. We feel that they, too, should work toward independence and prosperity. But please remember that many Crown corporations were set up in the beginning because their activities were important to all Canadians. They were financed by the government because in the beginning they could not be profitable. I am thinking of Crown corporations like the CBC, Air Canada and the CNR. Now we are urging them to become self-supporting.

There is to be a reduction in planned expenditures, the total of budgetary and non-budgetary items amounts to $1.5 billion. These reductions are being carried out on target. In other words, without such reductions the main estimates brought down in February this year would have been $1 billion higher, and the budgets of the Crown corporations would have been $500 million higher. In order to reduce expenditures we must amend several laws which give statutory authority for money to be spent on certain programs. For instance, we are to amend part of the adult occupational training program. The provision for granting certain annual increases is to be repealed and the government will substitute a provision which will permit the setting of these allowances by regulation. There will not be an automatic indexation. Then there is the Company of Young Canadians Act. We have to amend that act. I was not greatly gripped by that act in the first place. I thought it was somewhat far out.

I mentioned family allowances. That act will have to be amended also. I am rather sorry about the Industrial Research and Development Incentives Act. When I first saw this legislation I thought we were taking away from our eventual prosperity by reducing money to research and commercial and manufacturing industrial development. There is no doubt that the National Research Council does provide a great deal of industrial research. It was not considered that the research and development incentives to private companies added a great deal to the improvement of technology.

• (1140)

The government has been giving manufacturers and industry in general, including primary producers such as oil companies and resource industries, a very good thing by allowing them the 10 per cent incentive deferral. The only thing we request, and we still keep this in force, is that the corporations reinvest in their plant and machinery; in other words, incentives have to be based on profitability, productivity and reinvestment.

Then we have the Supply and Services Appropriation Act of 1970. That item was Information Canada. Many people in this country regarded Information Canada as nothing more than a frill we could live without. Its abolition shows the serious intention of the government with regard to cutting out expenditures that are not necessary. The only thing done to the Western Grain Stabilization Act was to defer it. No one is going to lose anything; everyone will be paid their interest on the amount which is being deferred.

Then we come to the Railway Act. We have to realize that transportation companies must work toward becoming self-supporting, the same as any other company. I mentioned that

fact with regard to Crown corporations and similar institutions. This act will remove the subsidies for removing grain and flour for export to the east. It will give us breathing space until the whole matter is organized. This is one of the greatest things the Minister of Transport (Mr. Lang) is now busy doing.

I have some figures which will be of interest. All ministers are cutting many millions of dollars out of their budgets: Agriculture, $10 million; Consumer Affairs, $1 million; Energy, $16 million; Environment, $11 million; Industry, Trade and Commerce, $13 million; Labour, $6 million; Manpower and Immigration, $56 million; Health and Welfare, $223.8 million. I could go on and on. The total for budgetary items amounts to $828.5 million, and non-budgetary items to $726.8 million, for a total of $1,555.3 million. This shows that the government's intentions are serious and that they are carrying them out.

Many things have been said about this government by members on the opposite side, as well as in various articles which have appeared in the press. When the people of Canada hear this, they think about what "that terrible government" is doing. For example, it is claimed that in the ten-year period just past, Ottawa increased its spending by 600 per cent. Actually, this increase was 388 per cent, which is quite in line and parallel with the growth of the gross national product.

I am going to quote Richard S. Malone, the publisher of the *Globe and Mail*. He wrote a scathing article about the government and its expenditures. Practically everything he said was incorrect. If you are going to criticize this government, for goodness sake be accurate. We will then do our best to make it right. There is no way you can make right in people's minds a misrepresentation which has been intentional. People fall for it and believe it. If members opposite are responsible, they will stop this.

Mr. Malone stated that overspending could only be done with devalued dollars or legal counterfeiting. That is a ridiculous statement. The budgetary policy is not determined only by the requirements of the federal public sector, but also by the imperatives of macro-economic management; in other words, what is necessary to sustain growth and to check inflation in the Canadian economy as a whole. One of the factors which led the government to introduce price and income controls a year ago last October was precisely the need to avoid, at this juncture, changes which are too abrupt in our economic policy; in other words, that accusation was demagogy. He further said that the financial estimates and budget in Ottawa will call for an even greater increase in spending, an increase of 16 to 19 per cent, quite apart from the supplementary estimates. He was quite wrong, assuming that the figure will be 16 per cent not only for budgetary but for non-budgetary amounts and all the expenditures which will be contained in the main estimates.

Another statement was that a recent estimate shows that 43 per cent of Canadians who are employed are on government payrolls. What an asinine statement! I will go through a little exercise to illustrate why I say that. Public servants in Ottawa and members of the armed forces total 412,000. That is, the number of Canadians directly employed by the federal government. It represents 4.4 per cent of the country's employed labour force. Therefore, his figures are wrong by ten times the actual amount. There are 346,000 provincial public servants and 267,000 municipal employees. If they are included, the total number of government employees is 1,025,000—11 per cent of the total number of employees in Canada, not 43 per cent.

There are approximately 637,000 employees in the hospital and welfare sector, and in the educational sector—such as school teachers—there are 662,000 employees. These are not direct employees of the federal government. However, even if we included those figures in the number of employees of the three levels of government, the total is something over two million, which is about 25 per cent of the employed labour force in Canada.

● (1150)

What happened to the Crown corporations? Employed in that field amounted to 270,939. That brings us up to 28 per cent, or 2,595,000. In other words, that criticism of the federal government was ten times wrong. If the hon. member wants to be nasty and include all governments, national and provincial, and all the agencies which work for the government, he is still wrong: Even in the totals we supplied he has doubled the figure. I believe we are entitled to fair criticism. We should not hear any more of that type of nonsense.

It is rather interesting to note that for the last 10 or 15 years our gross national product has been increasing at the rate of about 5.5 per cent. Canada's growth performance is better than that of the majority of OECD countries including West Germany, the United Kingdom and the United States. In 1974, while real growth contracted by 2.1 per cent in the United States and by one-tenth of 1 per cent in the OECD as a whole, the GNP in Canada rose by 2.8 per cent. In the recession of 1975 only five OECD countries were expected to achieve any degree of real growth and the GNP was forecast to decline by 2 per cent or more in France, the United Kingdom and West Germany. In Canada, the GNP was expected to fall by only 1 per cent. But instead of experiencing a decline of 1 per cent, we increased the GNP by 0.2 per cent. In fact, we were the only country in that small group of countries to experience an increase.

Hon. members who consider the figures will realize there is a great deal of misinformation being given to the Canadian people. I deplore the misinformation which emanates from the opposition and from the media.

An hon. Member: You are paranoid, doctor.

Mr. Railton: No. That is a very difficult diagnosis for a member on the back benches over there to make. Our living standard is the third best in the whole world. For a long time we were second only to the United States, but we were edged out recently by Iceland. I do not wish to take up any more time of the House. I realize my speech might have been a little difficult for members on the other side to listen to because I

might have sounded partisan. But I am not partisan; I like to regard myself as being fair-minded.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I know there will not be much publicity given to anything I have to say today on Bill C-19, or anything else for that matter, since the news on everybody's mind comes from the province of Quebec. I have been watching the faces of members opposite this morning, as I did last night. They are asking themselves: What happened? In discussing the bill before us, I shall attempt to put forward some ideas hon. members may wish to consider even though they are very few in number over there. I can understand that; the shock to them must be unbelievable.

I intend to show how bills such as C-19 which are so often slipped through the House after a discussion directed to details, such as we have heard this morning, often contain principles of great substance, principles which are somehow lost sight of. If hon. members would read the speech which the Minister of Transport (Mr. Lang) made last Wednesday, and then read the maiden speech of the new member for St. John's West (Mr. Crosbie), I believe they would better understand the significance and the danger of this type of posturing bill. The measure before us is in several parts, but the part which draws my attention—I hope it will draw the attention of all Canadians who believe in one Canada—is clause 15 which simply repeals section 272 of the Railway Act. Mr. Speaker, that clause is a direct attack on the very foundation of the federal system.

Every schoolchild, when they used to teach history in schools, learned that our country became a country because the various colonies across the eastern part of this part of the continent did not want to become absorbed into the country to the south, the United States, and the only way in which it was possible to tie those colonies together in an economic as well as political unity was through the provision of transportation. Those of us who know the history of our country in that early period understand the importance of the intercolonial railway system in bringing those eastern colonies into touch with central Canada and each other. That railway system was the tie which brought those six colonies together: admittedly, Newfoundland did not come in until much later, but that was the tie. Those of us who come from the west and know the history of that part of the country are aware that it was the decision of the government of the day to build a railroad which was uneconomic, marginal and difficult to construct, which brought the four western provinces into confederation.

Any person who is familiar with these Parliament Buildings knows that the largest committee room in the place is the railway committee room. Every member of parliament who comes here should walk into that room, look around in silence, and ask himself why they chose so large a room to be the railway committee room. It was because transportation is the very foundation of this country. That is why the railway committee room is so large. For the great bulk of our history it was the most used room in this entire building. It has not been used very much in recent years because the government has forgotten that Canadian history has been largely concerned with bringing great regions, far from the centre, into one Canada, one nation.

Those words are not just an empty slogan, Mr. Speaker; they are the basis of our political thought, the philosophy which makes the economics of this nation viable. Yet we find in the bill before us, a bill which professes to deal with the saving of money, an attack on the very foundation of our unity. There are, of course, other expressions of the same philosophy, for example, the St. Lawrence Seaway in more recent days. Though it is hardly ever mentioned in the House, the building of that seaway was an effort to make it easier for goods from the eastern part of the country to reach the central regions. For years no one has mentioned the fact that for the great northern regions of Quebec and Ontario and the northern parts of the four western provinces, together with the Yukon and the Arctic Islands, transportation was the key. The people of Canada as a whole have paid, without question, for this northern transportation system. We are still doing that, and I hope will continue to do so.

• (1200)

If we are to hold this country together, it must be recognized by our political leaders in the federal government and each province that transportation and communications are the key. That is how our federal system developed. The key to making the system work was the recognition that wherever one lived, wherever areas were opened up, there would be equal treatment. Basically, Mr. Speaker, it is transportation inequity that forces the westerner to be alienated from the central part of this country. Basically, it is transportation inequity that forces the Atlantic provinces to feel forgotten. Basically, it is transportation inequity and remoteness from communication which make our northern people so hostile to those of us who live in the south. We have built this nation by recognizing that if we want political union, one Canada, we must have economic union. The key to this is transportation, along with harbours, docks, search and rescue and all the other facilities. This has been our history, and it will be our history for many decades to come.

The attack on federalism by the government in this bill, using the excuse of saving money, is not an isolated one. In the last three years, just think of the attacks we have had in this House on the part of the government on the basic foundations of our federal system. No matter what kind of scare campaign you run, Mr. Speaker, you cannot get away from the fact that there is the belief in the minds of the people that this principle which builds our country and makes it strong is being forgotten. Let me give the House an example or two of what makes this seem so devilish. Just three years ago the government introduced the petroleum administration bill which was a direct attack on the wealth of the provinces. The government said that because it represented all the people, it had the right to break the constitution and take ownership and control of the resources in the provinces of this country. I opposed the petroleum administration bill, as did all my colleagues.

When the mines ministers met in December, 1974, nine out of the ten mines ministers of the provinces, led by the mines minister of the province of Quebec, opposed the bill and the minister had to hold it up so they could consult with the provinces whose resources they were stealing. In mentioning that to the House I direct my remarks particularly at members of the Liberal party who, after the results last night, must be wondering what is wrong.

You cannot safely attack the basic principles of this country unless you know what makes the people tick. What makes the people of rich resource provinces like Newfoundland and Quebec angry is that they sense that this government is constantly attacking the powers and taking the wealth of the provinces, trying to centralize them. I do not find any difference on this issue between the Liberals and the NDP; both believe they know better than the people how to run this country.

Some hon. Members: Oh, oh!

Mr. Gilbert: Poor Alvin; he cannot understand the difference.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I love to hear the suckers roar. This is one example, along with this bill, of an attack upon the federal system. Many members have been around here long enough to remember what happened in 1974 when we had a budget in the spring and a budget in the fall. We called them the Turner budgets. The Turner budget in the spring and the Turner budget in the fall were attacks on the basic foundations of our federal system. The government has a majority in this House—but not across the country—and feels it represents all the Canadian people. It feels it has the right to take away the wealth of provincial governments and their people. Sooner or later, Mr. Speaker, when that budget is overturned, it will be safe for Mr. Turner to come back into the House. But until it is, he will not come back because he knows that in those budgets of his of 1974 he attacked the basic economic foundations of all provinces.

I mention these points because this bill pretends to appeal to us to do something that we have to do, namely, reduce government expenditures. But when you read the speech of the Minister of Transport it is apparent this is not just a one-year shot. He knows that if he gets rid of section 272 of the Railway Act he will blast the people east of Montreal, because this bill affects only those east of Montreal. Let me read to hon. members section 272 since it is important not only to the Atlantic provinces but to the whole country:

> (2) For the purpose of encouraging the continued use of the eastern ports for the export of grain and flour,
>
> (a) rates for grain moving in bulk for export to any eastern port from any inland point over any line of a railway company subject to the jurisdiction of parliament shall be maintained at the level of rates applying on the 30th day of November, 1960, to the movement of such grain to eastern ports—

The rates that we set up as a government in 1960 allowed these ports to be used by the railways not only to keep people in the Atlantic provinces at work but to give us access to markets year-round. This founding principle of the economic security of ports east of Montreal is now being attacked in this legislation. They want to repeal section 272, so let me just drive this point home. This bill may be an attempt to pretend that they are cutting back expenses, but it is really part of an over-all program to reduce the power of the provinces and to turn all decision-making over to the government in Ottawa.

If the government was elected to make its own decisions, there could be an argument for it. But the truth is that this government does not run the country. The country is run by a small group of civil servants who seize the decision-making powers in each major department and run the country. They know best and they tell ministers what to say and what to do. I ask all westerners, all people from Quebec and the Atlantic provinces, and all northerners in Ontario, the Northwest Territories and the Yukon, to rally to the fact that this attack on the "at and near" rates going to the maritimes is an attack on them all, and I ask them to throw the bill out, and this section in particular.

I have related my remarks to the political situation. It must be abundantly clear that just as once upon a time Saskatchewan and Quebec were the political heartlands of the Liberal party, provinces on which they depended for their massive support to overcome the votes of other provinces and form the government of Canada, today those heartlands are disappearing. The Liberals are pretty well subdued in Saskatchewan and now it looks as if after 90 years of domination in the province of Quebec their heartland there is beginning to shake.

• (1210)

I should like to advise my Liberal friends across the way that Saskatchewan is gone from them, that Quebec is going and it will not be long before they go, too, unless they start taking control of their government. They have the voices of the backbenchers; they can tell the Prime Minister (Mr. Trudeau) what to say and what to think. He will not kick them out. He does not dare. Everybody who has been kicked out comes back. I say to them, "Stand up and express your views."

In 1974 the cattle industry was in trouble. The Minister of Agriculture (Mr. Whelan) asked us to support him in amending the price stabilization act. All parties supported him in the committee. We put it through. Then when the bill went before the cabinet and treasury board, the minister was turned down in respect of the very act he had put through on behalf of all parties, the Liberals, the Progressive Conservatives, the New Democrats and the Créditistes. We know who runs this country. It is not those on the back benches—but the people in the back benches have the chance to stand up. I think their Prime Minister will listen today. He was an angry man last night when he realized that one cannot, by propaganda, fight the whole country. Some people will stand up against that kind of thing.

I say to members opposite, "Put the fear of God in your Prime Minister and speak up for these areas—the northern part of Quebec, the northern part of Ontario, the Atlantic provinces and the far north. Speak up, because this is the basis of our federal system." I do not want to embellish the point

any more. I put it before you seriously, Mr. Speaker, that by the repeal of section 272 of the Railway Act the government is attacking one of the basic foundations of our federal system. If members opposite cannot hear my voice and are frightened to speak up in front of their Prime Minister, there is not much I can do. But at least I have put forward my views, and I intend—like the hon. member for St. John's West—to continue putting them forward because we on this side of the House do not intend to sit down and let this matter lie.

We have heard from the hon. member for Welland (Mr. Railton) that we are not putting forward ideas. I have gone back over my speeches in the last 15 years in the House. I have laid ideas in the laps of government members. Last December, before the Christmas adjournment, I rose in the House and quietly asked the Prime Minister, in view of the budget and the price and wage controls brought in in October, whether during the recess he would quietly consider the posture the government was taking vis-à-vis the monetary and fiscal situation in this country. The government had brought in wage and price controls and I could see the economy slowing down to a stop and levelling off.

Now we sit on the edge of a precipice and may be going into a lengthy period of recession. The Prime Minister said he would consider that proposal. But then he stood up on December 28 and said we had to have permanent controls because we could not trust the people to make their own decisions. He said we were such a greedy nation that we had to have controls imposed by the elite of the country. I throw that at the House because this is another attempt on my part to remind members opposite that there are proposals on the record.

One can fiddle around with all these little things and get peanuts. What is the cause of inflation? It is caused by the government. This is what embarrasses politicians. We talk about the necessity to cut down on everything. All members had their incomes frozen at $24,000. Aren't we good boys! Yet we have a minister running up and down the country at $750,000 a time to see his constituents rather than ride on Air Canada. I think maybe it is cruel and unnecessary punishment for ministers to have to ride on Air Canada, but at the same time this is what destroys our posture that we are trying to save money.

This bill is another issue which is just a posture. Let me give you a list, Mr. Speaker, of some of the proposals I have put forward in this House. You can look it up if you really want to get at the causes in the western world for this inflation. Let us get interest rates down. Our interest rates in Canada are 4 per cent higher than in the United States because we have a group of economic nitwits who believe it is necessary to have higher interest rates in this country in order to keep money flowing into Canada. What a mythology to impose upon the Canadian people, the greatest saving people in the world!

We must get the interest rates down. That is fundamental in getting at inflation, price and wage controls and this type of legislation. Second, get your land costs down around the cities. Housing costs have gone up, but greater than that has been the unbelievable escalation in the price of land around the cities. If you do get the people who are doing it, you only get half a dozen in each city. Just because they are Liberals does not mean they should dominate the whole country and force prices up. Get your land costs down around the cities. The legislation is in place to do that.

Third, we have tremendously costly universal social welfare programs which cost $18 billion to $20 billion a year. The people want those programs, but common sense and knowledge should tell the government that positive individual incentives should be put into these programs or we will lose them. That is the subject of a speech I have made here on several occasions.

Fourth, in trying to get at the cause of inflation and all these costs, you force men and women in the cities to ask for higher and higher wages in an effort to keep up, and they never manage this. The government should use the knowledge and precedents that are available and end this wasteful labour-management confrontation. Everyone has heard of the theory of productivity and how it is rewarded. Everyone has heard of the portability of pensions and insurance. Everyone has heard of the formula methods of achieving wage settlements. Strikes are as outmoded as the dodo bird. They cost not only billions of dollars but smash the labour man and the businessman at the same time. The knowledge and the precedents are there. Members opposite should not walk into this House and say that we never put forward ideas.

The fifth point I want to mention is that if you want to get at inflation you should use the monetary and fiscal systems of this country to help the economy, and not fight them. It is said that 40 per cent of all revenue of our gross national product goes through government hands. That 40 per cent can be utilized in a way to reinforce the other 60 per cent and we would have a 100 per cent economy, or we could use that 40 per cent of government financial control, to work against the economy and reduce the net to less than 60 per cent. There are all sorts of proposals. The Porter royal commission recommended several. No one pays any attention to the Porter royal commission. That report was published in 1964. Some members think it is a dirty book. That is wrong, because if it was a dirty book they would all read it. Look at the proposals there. I quoted them to the Prime Minister in the House on one occasion. There was no reaction.

Members opposite are not interested in economics. All they are interested in are these posturing devices of exposing themselves on every occasion so that they will be seen, rather than getting at the economic problems. If they have not learned any lesson from yesterday, they should have. A government goes along trying to amaze its people by posing as their great defenders, becomes involved in discussions which arouse the emotions of the people, and then takes away their civil liberties that government will be defeated. We still cannot get away from the fundamental fact that what changed that government in Quebec was the failure to deal with economic matters. You cannot ask people to accept a low level of living year after year and decade after decade without their asking themselves whether they could not have a government of the people who sometimes gave them economic well-being. So I suggest that

the government should use the economic and fiscal system to work with the economy, instead of against it.

• (1220)

Mr. Speaker, I think I have made my point, which is that no one in any party in the House is opposed to restraints on superfluous spending, but when the government slips into this bill a proposal which undermines the basic foundation of our federal system, the pledge made 109 years ago and renewed by government after government of all political stripes since that time, a pledge with regard to transportation and communication which is now attacked by this government, and when we see the attack in 1974 on the ownership of resources which are in the hands of the provinces, an impression is created across the country that the government is not really concerned with helping the people and the provinces but is only concerned with one thing, that is, control over and restriction of the minds and pocketbooks of the people.

Any parliament will support reasonable proposals to reduce the spending of money, but not when the government attacks one of the basic agreements that we have made with the people east of Montreal in the "at and east" rates. Every government has respected this agreement since then, but now we see the government sneaking in a clause to section 272 of the Railway Act, and this we cannot support. I hope you Liberal backbenchers opposite rally in caucus and tell your Prime Minister to take that nonsense out of the bill.

We hear all these little arguments about user-pay. If it could be done by a person who paid all the time, it would be different. If the government wants our support in reducing expenditures, let it not attack our federal system. We believe in Canada, we believe in our nation, and we believe that people in all parts of our country should have an equal right to opportunities. When you destroy that for the Atlantic provinces, you destroy it for the west also. Westerners know that if you take out that section 272, our Crowsnest pass rates will go next and subsidization of the north will go after that. If you look at the price of things in towns such as Thunder Bay and Kenora, you will know what I am talking about. These people take a heck of a beating because we have a government which thinks of public relations and of getting control into the hands of a few civil servants here in Ottawa, rather than of the interest of the people. That is not why we are here. For a rich country like Canada, which is coming out of a recession, to be sent back into it by the stupidity of the advisers of this government is plain stupid and should not be tolerated.

If I were a backbencher over there, I would be yelling my head off, not just on issues of language, which are important, but also on economic issues. Tell your Prime Minister, who is not a stupid man, to take control and tell his Minister of Finance (Mr. Macdonald) to read and find out the facts, and to show some leadership, instead of surrendering to this tendency whereby they think they have everything in their hands because they know best. It is not only the dairy farmers and the chicken farmers who get it. They are taking every taxpayer in the country and wringing him and her like a wet cloth. Let us stand up as parliamentarians and speak up for the concept that every person in Canada deserves an equal opportunity. If you take out section 272 of the Railway Act, you will know what trouble is.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I hope that today, for the first time in a long time, members of the old-line parties are in a mood to listen.

Mr. Paproski: Are you taking credit for the victory?

Mr. Benjamin: I hope that a lesson has been learned, but I note there are only 13 members on the government side, which would indicate they are still losers. I am glad to see what the hon. member for Assiniboia (Mr. Goodale) is here. However, I am sorry the Minister of Transport (Mr. Lang) is not here.

An hon. Member: "Jet" Lang!

Mr. Benjamin: The Minister of Veterans Affairs (Mr. MacDonald) is here. He has his version of "at and east" rates. I was interested to listen to the remarks of the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). I agree with some the things he had to say, but I disagree with the way he wants to do it, because it is no different from the way the Liberals want to do it. He still believes in free enterprise which is neither free nor enterprising. He still believes you should have competition in transportation across Canada, as do the Liberals. He even believes that our modes of transportation should show a profit, as do the Liberals, when in fact no mode of transportation has ever shown a profit without public subsidization. I wish the hon. member would add one additional step—which would have brought him to the 1980s instead of the 1880s—and would agree that all modes of transportation are an essential public service and a public utility, and that goods, services and people should be treated fairly in Canada no matter where they are located.

This bill is a typical old-line party, free enterprise attack on those who do not cause inflation. It is a typical failure to show restraint in areas where they could show restraint without hurting the country and hurting the low and middle income families, without hurting primary industry and without hurting regions of Canada that are located somewhere other than south of North Bay between Windsor and Quebec City. In this bill, the government is even attempting to hurt people in that area for the sake of saving a paltry $11 million.

The government did not allow the indexing of family allowances last year on the premise, I suppose, that these young families with two, three or more children somehow or other cause inflation. The removal of the indexing of family allowances in 1976 cost Canadian families about $230 million. Why the government should stop this transfer of income to families is unknown and does not make economic sense. In fact, the government's own economic review in April of this year states:

There is no doubt that the strength and timeliness of the income support given to Canadians between November, 1974, and June, 1975, were among the most important factors in the milder recession experienced in Canada compared to the United States.

It went on to say:

Personal expenditures on goods and services were a major source of sustaining strength during the cyclical decline and a further support during 1975.

The government chose to rob Canadian families of $230 million in 1976 in the name of so-called fiscal restraint. Why did they not attack those who cause inflation? Why does not the Prime Minister (Mr. Trudeau), or the Minister of Finance (Mr. Macdonald), for example, suggest that the president of Massey Ferguson, whose income is now in the order of $330,000 a year, be required to show some restraint? Why was his last year's increase not taxed away, instead of taking away a few dollars a month from families? The family allowance with full indexing for the high and upper middle income families should be taxed away through income tax. There is no real cost to the taxpayer and there is no real increase in inflation when family allowances are indexed. But the old line parties still attack people. They have not changed. They promise to take money from the rich and votes from the poor, and then they promise to protect them from each other.

● (1230)

I want to get to the matter of freight rates and make reference to a remark of the hon. member for Qu'Appelle-Moose Mountain. I do not recall his exact words, but he said something about the NDP and the Liberals being the same. I am not sure exactly what he meant.

Mr. Brisco: Look at the voting record.

Mr. Benjamin: My hon. friend says, "Look at the voting record". I remind him that all the Tories present voted with the Liberals against all grains being under the Canadian Wheat Board. If that is not an unholy partnership in bed, I have never seen one.

I would like to give two examples of the betrayal of Atlantic Canada, western Canada and northern Canada by the Grits and the Tories. They fundamentally agree in principle. There is no basic difference between them on how to order the economy of this country in the area of transportation when it comes to passenger trains. The minister of Transport (Mr. Lang) says he is going to revitalize and improve the passenger trains' service by reducing their number. I do not know how he can do that, but that is what he says. Then I will be darned if the Tories didn't agree with him. The Tory transportation critic appeared before the Standing Committee on Transport and Communications and said that we should reduce the service to one transcontinental passenger train, although he would run it over a slightly different route. He left out the riding of the Leader of the Opposition (Mr. Clark). I am sure the folks at Jasper, Edson and Hinton will be glad to hear that.

The Tories agree with the Minister of Transport that there should be only one transcontinental passenger train and inland terminals, an item of economic exploitation which will mean the death of scores of towns and villages in the prairie provinces which would otherwise be viable. The hon. member for Moose Jaw (Mr. Neil) and the minister of agriculture of the Tory government in Edmonton agreed that we should have inland terminals. They not only agreed that we should have them, but also that they should receive incentives. So Tories agree with Liberals on inland terminals. In fact, they even want to help outfits like the Cargill Grain Company.

The hon. member for Qu'Appelle-Moose Mountain had best be careful. Let us look at the Crowsnest rate, the statutory grain rate. By golly, hon. members of the opposition have fought that battle for many years in this place. I want to give credit to a former member for Humboldt-Melfort-Tisdale for his work with regard to rapeseed and rapeseed products, as well as his predecessor, a CCF member from the same riding, who led that fight, and a former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), who arranged that rapeseed and rapeseed products would be under the statutory rates. Now the Minister of Transport arranges that, after all the appeals and hearings, the cabinet's decision is that the railroads will receive compensatory rates on rapeseed products.

Mr. Dionne (Northumberland-Miramichi): You could call that "statutory rape rates."

Mr. Benjamin: That is to be expected, but I will be darned if the Conservative minister of agriculture in Alberta does not agree that the compensatory rates on rapeseed products should apply, and not the statutory rates. I warn the hon. member for Qu'Appelle-Moose Mountain that he had better be looking over his shoulder at who is supporting the Liberals and who is agreeing with the Minister of Transport.

As I mentioned, the Conservatives chose to get into bed with the Liberals on the matter of all grains being under the sole jurisdiction of the Canadian Wheat Board and they screamed at the NDP saying that it is undemocratic and that it will try to force it down the farmers' throats. Far from that, in fact if my hon. friends in the Liberal and Tory parties would like to attend the National Farmers' Union convention in Edmonton next month, or the Saskatchewan, Alberta or Manitoba wheat pool conventions, they will find that they have had their plebiscite many times in forty years. The overwhelming majority of grain producers have said time and time again at their subdistrict meetings and at their annual conventions that that is what they want. It has been an article of faith with the overwhelming majority of grain producers since the early 1930s. The plebiscite has been held many times, and I suggest that hon. gentlemen who belong to the Liberal and Tory parties should wake up and quit living together in the 1890s when it comes to farm grains being under the Canadian Wheat Board and orderly marketing for any farm product. Farmers who produce other kinds of agricultural products have repeatedly asked for orderly marketing, but the Grits and Tories cling to 1890 concepts of the free and open market. It is free and open for middlemen and end retailers, but not for primary producers.

Let me turn now to clause 15 of the bill which proposes to repeal section 272 of the Railway Act. In a country like ours, with a large geography, a diverse and often harsh climate, and a population which is widely scattered, much of it isolated, we

submit that the nation as a whole has to share in the cost of all modes of transportation. Canada is about the only country left in the world in which this does not happen. Even the United States now recognizes this to some degree. But in the rest of the world transportation costs are shared because it is an essential public service; it is something everyone has to use. Trying to implement a concept of user-pays is not only lunacy but—and I agree with the hon. member for Qu'Appelle-Moose Mountain here—it will also lead to more break-up in this country. It will lead to more disparity, unequal treatment and discrimination.

Let us remember that in the main, grain is produced in the three prairie provinces. It is produced far away from the people who buy most of it. It is produced far away from seaports and inland ports, and that puts our country at a disadvantage compared with the United States, Argentina or Australia where most of the grain production takes place near a sea coast or near an inland waterway. They have the benefits of much denser populations lower transportation costs and certainly shorter distances. However, even where they have the same or longer distances, those nations as a whole share those costs and they are not just laid on the backs of primary producers or processors of those primary products.

The "at and east" rates are described in the legislation and the purpose of the subsidy is to encourage continued use of the eastern ports of Halifax, Saint John, West Saint John, Montreal and any of the ports on the St. Lawrence River east of Montreal for the export of grain and flour. The subsidy applies to rail shipments only. It applies to shipments of grain from railway points along Georgian Bay—I hope hon. members who hold constituencies along Georgian Bay will have a chat with the Minister of Transport—along Lake Huron and east of Prescott but not including Prescott. That is, from those points to eastern port that I mentioned earlier. In the case, of flour, it applies to shipments from any point in Canada east of Thunder Bay to eastern points in the Atlantic provinces; flour from western Canada goes to Thunder Bay under the Crowsnest or statutory rates.

● (1240)

The legislation requires the Canadian Transport Commission from time to time to determine the level of rates compensatory to the railway companies. I do not mind if they do that, Mr. Speaker, provided they do not leave the cost of the compensatory rates on the grain producers and the milling industry. That cost should be shared by the whole country. If we are to compete in selling grain and flour, and if we are able to pay a good price that will ensure those sales, we have to share the cost of transport. This is necessary in a country with our kind of geography. The actual rates paid by shippers of grain and flour is based, in the case of bulk grain, on the rate which was in effect on November 30, 1960, and in the case of flour the rate in effect on September 30, 1966.

While there has been no public announcement of the government's intention in regard to the "at and east" rates in December, 1975, the then president of the Treasury Board suggested in the House that elimination of the subsidy was a possibility. The Canadian National Millers' Association asked the Minister of Transport for a statement of government intent and received a telegram from him dated January 13, 1976, in which he finally said that the government intends to abolish the "at and east" subsidy effective April 1, 1976. The bill says that repeal of section 272 is effective the day the bill passes. At least that would save the farmers and the millers some money for several months. The telegram continued:

I would therefore suggest that your price in upcoming negotiations with Exportkleb for sale of flour make consideration for the inclusion of freight rates at compensatory levels.

It appears that abolition of the subsidy can be done only by amendment of the Railway Act, and the government has finally brought in this amendment. But what will be the effect of the removal of the subsidy, Mr. Speaker? On flour milled in western Canada, shipped to Thunder Bay at statutory rates and then on domestic rates to export ports on the lower St. Lawrence and Atlantic, if exported from Montreal the subsidy amounts to 39.15 cents per hundred pounds, and if exported from Halifax 69.35 cents per hundred pounds. On flour milled in Ontario and shipped from railway points along Georgian Bay, Lake Huron and Prescott, if exported from Montreal but milled in Bay ports the subsidy is 42.25 cents per hundred pounds; if milled in inland western Ontario, 52.65 cents per hundred pounds; if exported from Halifax but milled in the Bay ports, the subsidy is 71.15 cents per hundred pounds; and if milled in inland western Ontario and exported from Halifax, it is 81.55 cents per one hundred pounds. With respect to wheat shipped from Bay ports, Georgian Bay and Prescott, if exported from Montreal the subsidy is 35.58 cents per hundred pounds, and if exported from Halifax the subsidy is 51.75 cents per hundred pounds. The loss of these subsidies would make Canadian flour shipped during the winter from eastern ports to Russia, Caribbean area countries and others, non-competitive with flour from United States. It would have a similar effect on grain which is shipped by rail from Thunder Bay or the Bay ports during the winter when navigation on the St. Lawrence Seaway is closed.

Let me quote now from a letter sent to the Minister of Transport on February 16 by the Canadian National Millers' Association, as follows:

This policy change has come without warning to the flour milling industry and, it would appear, without careful analysis as to the impact this action will have on overseas flour/grain sales, employment and economic activity both in the milling industry and in the ports concerned, or on government revenues and expenditures. It is our view that a cost/benefit analysis will prove that the subsidy and the "hold down" are financially and socially sound and should be continued.

In my communications with you prior to going to Moscow on January 15, I indicated we would likely experience difficulty in negotiations due to the potential new freight factor. The representatives of Exportkleb found it difficult to understand why Canada could not sell at a firm price for calendar year 1976. As anticipated, they absolutely refused to close the contract. So, while they have indicated a requirement for 375,000 tons of Canadian flour during 1976 they have insisted on new negotiations should we need to adjust the current prices for additional freight costs.

The U.S.S.R. representatives stated that Canada is no longer competitive in world markets and that further price increases will require them to look for

alternative suppliers. Those of us who have negotiated with Exportkleb over the years judge this situation as serious and that our further business with them is definitely in jeopardy.

Eliminating the subsidy and the "hold down" will visit disaster upon Canadian millers and damage a substantial export market for Canadian wheat in the form of flour. We cannot believe that these and other foreseeable consequences are in the public interest.

We cannot understand how this change can be of any benefit to Canada other than by achieving a short term but ultimately illusory reduction in government expenditures.

In an attempt to examine the impact of this policy change we are enclosing a submission on the subject. We urge you to give this matter very close consideration.

In spite of the evidence that this places Canada's flour exports to the U.S.S.R., the Caribbean and a few other places in jeopardy, the Minister of Transport and this insensitive government who up until last night refused to listen, still insist on including repeal of section 272 of the Railway Act in this legislation. The least they could do is withdraw that clause. Their saving will be $11 million, but if they examine the other side of the coin the cost will be many times that.

As I said at the outset, Mr. Speaker, a user-pay concept is not feasible in a country like ours. It is only feasible in a country with densely settled population, a compact geography and uniformity of distribution, but in a country with a large geography and a harsh climate, you cannot get away with it. It simply cannot, and does not, apply in a country like Canada. For us to be able to deliver our primary products and processed primary products in competition with the United States, Argentina, Australia or the European Economic Community, we must share the costs of transportation over the whole country. The "at and east" rates did that: maybe not as well as it should be done, but they made a contribution toward sharing the cost and putting Canada in a position to have a viable milling industry. I hope the hon. member for Assiniboia will sit down with Mr. Sarasen in Saskatoon—

Mr. Goodale: I have.

Mr. Benjamin: Well, he was not listening so I suggest the hon. member should go back and discuss it with him again, especially after what occurred yesterday. Maybe now the hon. member's hearing will be a little more sensitive. I have received correspondence from Mr. Sarasen and I think I understand him. I have had conversations with him. I agree with him. I do not agree with the hon. member for Assiniboia and the government.

● (1250)

The removal of the "at and east" rates, if you are talking in terms of restraint by the federal government, is sheer window-dressing at best, and outrageous discrimination at worst. I know the hon. member for Assiniboia and the hon. member for Battleford-Kindersley (Mr. McIsaac) and other Tories are interested in helping the inland terminals. They have visions of unit trains loading up at the Cargill terminal or at Rosetown and all 100 cars of each train rushing through almost non-stop to Halifax. They have that vision. They want the grain to be hauled at a compensatory rate for which grain producers will pay. It will be done at the expense of the milling industry. But, of course, Mr. Speaker, according to the Liberals and Tories that is free enterprise. They believe in that nonsense. They have been governing this country for about 110 years and the disparities and discrimination in Atlantic Canada and the Prairie provinces continue. It does not matter which one of those two parties is in power.

Mr. Knowles (Winnipeg North Centre): It seems as if they have governed this country for 1,000 years, not 110.

Mr. Benjamin: It has made no difference at all. The hon. member for Qu'Appelle-Moose Mountain spoke in glowing terms of what he and the right hon. member for Prince Albert (Mr. Diefenbaker) tried to do when they were in government in the 1960s. Mr. Speaker, they had the golden opportunity of the century to change all these things, and they blew it. Their government fell apart and they ran around stabbing one another in the back. The boys who are really running the Tory party in central Canada got their own way again. The same thing is happening today.

Mr. Paproski: Where?

Mr. Benjamin: It is happening right now.

Mr. Paproski: Name one example.

Mr. Benjamin: I will tell my hon. friend, if he wants to know. When the Tory minister of agriculture in Alberta says that rapeseed products should not be under the Crowsnest Pass rates, that is an example occurring right now. When the Tory transport critic in the House of Commons says that we should, have only one transcontinental passenger train, that is an example occurring right now. When the Tories say that feed grains should be on the open market, and they even write a letter to the Prime Minister (Mr. Trudeau) endorsing the policy of the Minister of Transport (Mr. Lang), that is an example occurring right now.

Mr. Mazankowski: Come off it.

Mr. Benjamin: When the Tories believe that family allowances should come under the means test, that is an example happening right now. I don't want to hear any more nonsense from the Tories, Mr. Speaker.

Mr. Paproski: Hogwash!

Mr. Benjamin: We have a list of Tory proposals as long as your arm, Mr. Speaker. They are even worse than the Liberals, if you can believe it, and that's saying something. It means that they are really working at it.

Mr. Towers: Oh, boy, you people are really scared of the Tories.

Mr. Paproski: Why are you laughing, Benjamin? What do you think is so funny?

Mr. Brisco: Remember what happened in British Columbia.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Who has the floor?

Mr. Goodale: Who is in charge over there?

Mr. Benjamin: Mr. Speaker, I know I touch a tender nerve when I show there is little difference between Grits and Tories. In Saskatchewan the other day a Grit switched over and joined the Tories without any difficulty, ethical, moral or conscience. He said on television that it was an opportunity. The interviewer did not have to mention the word "opportunism." The whole operation was designed to protect his own backside, and to hell with his party. Of course, that's the kind of thing that happens among the Grits and Tories. They have little difficulty making such switches back and forth. If they are proud of that, fine; that is their problem.

Mr. Brisco: Tell us what Barrett did to Strachan in British Columbia.

Mr. Benjamin: Mr. Speaker, not only are we prepared not to support this legislation; we are prepared to hold it up as long as we possibly can, or at least until clause 15 of the bill is deleted. We want a commitment from the minister or the parliamentary secretary that the government will not do away with the "at and east" rates. If the government is not prepared to do that, I am afraid it will be some time before the bill passes, if it ever passes. This is not restraint, Mr. Speaker; this is shifting costs far greater than the amount of the subsidy. It is shifting costs on to the shoulders of the milling association and the grain producers, on to the shoulders of workers and operators in the ports of the Great Lakes, the lower St. Lawrence and the Atlantic and that is all.

Actually, the government's proposal will result in costs greater than the amount of the subsidy being so shifted. I know the hon. member opposite is thinking about the $9 million in the first year which the government proposes to give the milling industry and the phasing out of help over five years. Mr. Speaker, you do not consider the milling of flour and the export of wheat from Atlantic ports merely within a five-year time-frame. You think about such matters in terms of 50 or 100 years.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Benjamin: Mr. Speaker, this is some big deal! The government is merely helping the milling industry to take that much longer to go broke and lose its export market. It is like chopping a dog's tail off an inch at a time instead of doing it in one clean motion. This is nothing less but an attempt to buy off the milling industry and the people working in it, and it is a damned cheapskate attempt to buy them off. You cannot soften the blow with that kind of nonsense.

Wharves

Mr. Speaker, the $11 million-odd which the government provides is not really a subsidy. It represents a sharing of costs by the nation as a whole. By providing the money, the government is playing its proper role in transportation. It is making sure that growers and processors in western Canada and handlers in the Atlantic ports can compete with overseas millers and have equal access to our own markets in central Canada. If the Minister of Transport, with the support of the hon. member for Assiniboia, gets his way I suppose we can look for flour mills in downtown Toronto and Montreal because no doubt you can make money there.

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at two o'clock.

ROUTINE PROCEEDINGS

[*Translation*]

WHARVES

POSSIBILITY OF TRANSFER OF JURISDICTION TO QUEBEC—MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I ask the unanimous consent of the House to introduce a motion dealing with an important question of pressing necessity.

Considering that urgent repairs are needed to the St. Lawrence wharves used as means of communication and that the lack of maintenance is due to the lengthy negotiations between Ottawa and Quebec over the transfer of those wharves to Quebec, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

That this House urge the government to intensify its negotiations with the new Quebec government to settle the matter without delay and that the Minister of Transport be asked to report to the House as soon as possible.

Mr. Speaker: The House has heard the motion of the hon. member. Under the provisions of Standing Order 43, this motion requires the unanimous consent of the House. Is there unanimous consent ?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Oral Questions

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

GOVERNMENT ACTION TO ENSURE ECONOMIC STABILITY IN QUEBEC—POSSIBILITY OF CHANGE IN DATE OF CONFERENCE OF PREMIERS

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister and I want to preface it by noting, as, I think is agreed by all parties in the House, that the essence of yesterday's election in Quebec was that the people of that province voted according to democratic principles to change the government of their province. But following appeals last night by the leader of the Prime Minister's party in Quebec for the economic milieu to remain calm, can the right hon. gentleman advise the House what steps he has taken or intends to take to make sure that this important message reaches investors in Canada or abroad?

Right Hon. P. E. Trudeau (Prime Minister): I am sure the statement I made last night, and which I would willingly repeat today, is a clear indication that this government is dedicated to an inseparable Canada, a Canada which is indivisible. And we have only one mandate: it is to govern the whole country, including Quebec.

Some hon. Members: Hear, hear!

Mr. Trudeau: Whatever financial concerns the Leader of the Opposition may be referring to should know that this will continue to be our mandate and that we do not intend to negotiate any form of separatism with any province.

Some hon. Members: Hear, hear!

Mr. Clark: I take it, then, that the Prime Minister is not planning to take, or has not taken, any special steps to try to deal with the concern about investment which was expressed last night by the leader of his party in the province of Quebec. If he should decide that it is necessary, on behalf of his government, to take any action of that kind, will he make the nature of that action known to the House? In the meantime, can he advise us whether, in the light of the change in the government of Quebec, there is any intention to revise the timing of the meeting of first ministers planned for next month?

Mr. Trudeau: As to the first part of the question, I believe the best way of making sure that no panic reaction takes place is to refrain from speculating upon it or asking hypothetical questions as the Leader of the Opposition has just done.

Some hon. Members: Hear, hear!

Mr. Trudeau: I have stated the basis on which the federal government will operate. As far as the second part of the question is concerned, I have already written, as is customary, to the premier-elect indicating we are planning to go ahead with the conference in mid-December but that I would be writing to him, as I shall be writing to the other first ministers, to discuss the precise agenda.

[Mr. Speaker.]

Mr. Clark: I simply wish to draw the attention of the Prime Minister to the fact that the concern expressed was expressed by the leader of his party in the province of Quebec.

Some hon. Members: Hear, hear!

Mr. Clark: If the Prime Minister considers it hypothetical, he should perhaps speak to the leader of his party in Quebec.

Mr. Fairweather: Or tell Lalonde to speak to Bronfman.

Mr. Clark: Is it the intention of the Prime Minister to take the initiative by meeting with the new prime minister of Quebec prior to the meeting of the heads of government?

• (1410)

Mr. Trudeau: Mr. Speaker, I failed to get the second part of the question; it seemed to be a repetition of the first as far as I heard it.

Mr. Speaker: Order, please. In respect of the repetition, the question was rather definitive. It was whether it was the intention of the Prime Minister to have a special meeting with the premier-elect of the province of Quebec prior to the prime minister's conference in December.

Mr. Trudeau: Well, Mr. Speaker, I have not given that any active consideration yet, but if the premier wishes to meet with me I will, of course, be open to meet with him on the basis I have just stated. As far as the preface to the question is concerned, I did not realize that it was a justification for the Leader of the Opposition to be quoting the person he calls "the leader of my party in Quebec". Obviously, he has no leader of his party in Quebec.

Some hon. Members: Hear, hear!

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—POSSIBLE INTRODUCTION OF BUDGET TO DEAL WITH PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question also for the Prime Minister. Given the fact that the Liberal government in the province of Quebec was defeated precisely for ignoring basic, real problems like the 10 per cent unemployment level in that province, and given the fact that the national government here in Ottawa has been following precisely the same kinds of policies at the national level, I would ask the Prime Minister whether this election and its real and serious implications have caused him and his colleagues overnight to rethink the unemployment situation in particular, in such a way that the Prime Minister will now assure the House that the government will bring before the House a budget prior to Christmas announcing a full employment program.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not admit the premises of the question. If they were correct, it would be difficult to explain why the hon. member's party in Quebec did not do any better than it did. Surely, he must be communicating with the NDP members in Quebec.

* * *

FEDERAL-PROVINCIAL RELATIONS

REQUEST THAT QUESTION OF FULL EMPLOYMENT BE PUT ON AGENDA OF PREMIERS' CONFERENCE

Mr. Edward Broadbent (Oshawa-Whitby): It is precisely that attitude, Mr. Speaker, that defeated a man named Bourassa. You have got two years to go, maybe. I should like to ask the Prime Minister, since unemployment has been running nationally at more than 7 per cent for more than 19 months and it is over 10 per cent in the province of Quebec, and since we have a first ministers' conference scheduled for early December, whether he would get in touch with the premiers, including the new premier of the province of Quebec who does want to do something about the real problems of the people in his province, and put on the agenda for that conference a discussion of full employment in which the Prime Minister would show some leadership and try and get the support of all the premiers to deal with this pressing issue?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, I have just indicated a couple of answers back that I would be communicating with the provinces to learn what items they wanted to see on the agenda. Obviously, in our minds there is one item, which will be the economy, and I am very glad that the hon. member is beginning to realize the importance of that item too.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—POSSIBILITY OF SPECIAL MEASURES TO DEAL WITH PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. I must say the Prime Minister's condescension is touching. I address my supplementary to the finance minister. Given the fact that his own officials have forecast a level of job creation during the coming winter months which is the lowest in ten years, would the finance minister now tell the House whether he has reconsidered the answers he has given in the House in the past couple of weeks, and will be prepared to bring before the House special measures which will ensure a higher rate of job creation in the coming winter months, a winter which will see the highest level of unemployment since the great depression in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the underlying facts of the Canadian economic situation remain the same today as they have for many weeks. We have, and must have, a concern about the rate of inflation in Canada which over any period of time will be far more damaging to job creation in Canada than any of the other difficulties we face. The leader of the New Democratic Party shakes his head. He presumably is not concerned about inflation but for this government it remains a primary concern.

I said last week and repeated this week, that indeed in dealing with the inflation problem in Canada we have a very narrow margin within which we could take additional spending measures or make taxation changes given the importance of overcoming inflation. That continues to be the reality. My colleague, the Minister of Manpower and Immigration, and other colleagues and I have been analyzing the various ways in which specific programs may be directed to those specific members of the work force who have been in a particularly difficult situation in respect of employment. But I am not proposing at this time general economic measures which might work against the over-all policy of the government against inflation.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED EFFORTS OF COMMISSION TO DISQUALIFY BENEFICIARIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct my question to the Minister of Manpower and Immigration.

Considering that an increasing number of applicants are declared ineligible by Unemployment Insurance Commission officials, pursuant to sections 25(a) and (b) of the Unemployment Insurance Act, and Regulations 164 and 166 of this act, although those applicants are actively seeking employment, would the minister advise the House whether or not special instructions were given to the officials for stricter enforcement of the law and its regulations in view of making as many applicants as possible ineligible for benefits?

Hon. Jack Cullen (Minister of Manpower and Immigration): No, Mr. Speaker.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to put a supplementary question.

Would the minister inform the House whether he deems it reasonable to turn down an applicant who has been trying to find a job but did not succeed because employment is getting increasingly scarce?

Mr. Cullen: Mr. Speaker, the hon. member asked for an opinion; it is not easy to answer this question in the House.

[*English*]

THE CANADIAN ECONOMY

FORECAST OF RATE OF GROWTH AND BUDGETARY DEFICIT—GOVERNMENT'S SUCCESS IN CURTAILING SPENDING

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I should like to put my question to the Minister of Finance. Now that we have last week's disappointing statistics on current unemployment which is running high across the land, and indeed ranges between 10.1 per cent in Quebec to 13.9 per cent in Newfoundland, and also have rising prices, in spite of the minister's comment that inflation is still his number one priority, would the minister indicate if he still sticks to his budgetary forecast of a 5 per cent real growth in the economy this year or may we anticipate bad news on that front as well?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the experience in Canada will very likely parallel the experience in the rest of the OECD nations; that is to say, the levels of growth hoped for in the fourth quarter of this year may well not be attained.

Mr. Stevens: Mr. Speaker, my supplementary is again addressed to the Minister of Finance. As the economy stagnates as the minister indicated in the current quarter, and with the budgetary deficit for the first half of the fiscal year reaching $3.3 billion, 50 per cent higher than the same period last year, would the minister indicate if he holds to his May budget forecast of a $5 billion budgetary deficit or does he believe the trend shown in the first half of this year and into the third quarter will carry on and that there will be a budgetary deficit in 1977 of over $6 billion, the highest in our history?

Mr. Macdonald (Rosedale): No, Mr. Speaker.

Mr. Stevens: Mr. Speaker, as the minister has said that inflation is still his number one priority and, based on the finance department figures in the first six months, it would appear that federal spending may be up as much as 16 per cent or 17 per cent this year, would the minister indicate if he expects federal spending increases will taper off in the balance of the year so that the minister's commitment to a 14 per cent ceiling on federal spending increases will be met or may we expect federal government spending will be higher than the 14 per cent ceiling the government undertook to achieve in the May period?

● (1420)

Mr. Macdonald (Rosedale): Mr. Speaker, we anticipate being able to keep expenditures within the goal or framework set out in the budget.

[Mr. Cullen.]

PUBLIC WORKS

PROPOSED METHOD FOR SHOWING PROPERTY COSTS

Mr. R. E. McKinley (Huron-Middlesex): Mr. Speaker, I have a question for the Minister of Public Works. In his opening speech to the Standing Senate Committee on National Finance he stated that alternative methods for recording and displaying real property costs to departments will be adopted, instead of the charging for services concept, which until now has only been talked about. What method, other than the charging for services concept or the method employed, does the minister intend to use?

Hon. Judd Buchanan (Minister of Public Works): As I indicated at that same meeting of the Senate committee, my personal inclination was to use "charge for services". I think that is still the most valid principle to pursue.

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FISHERIES

METHOD OF SELLING PRODUCTS IN EXPORT MARKET—GOVERNMENT EFFORTS TO IMPROVE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Fisheries and the Environment. Is it his intention to establish single desk selling for Canadian fish products abroad, as hinted in press reports of the statement he made in Sydney, Nova Scotia, yesterday?

Hon. Roméo LeBlanc (Minister of Fisheries and the Environment): Mr. Speaker, if the report referred to single desk selling, it is erroneous. What I said was that the Canadian industry, like our main competitors, should move to the concentration of our efforts in the foreign markets instead of competing against each other in export markets.

Mr. McGrath: May I preface my question by saying that I support the minister's intentions. Could he perhaps expand on what role he sees for the federal government in rationalizing this highly competitive situation which, in many cases, is hurting our exports?

Mr. LeBlanc (Westmorland-Kent): I do not know what the hon. member describes as "highly competitive". Surely, one of the reasons that in many cases we are price takers instead of price setters in the export market is the competition we talked about, that is competing among ourselves. The federal role is to encourage by voluntary means. I hope that the industry will see the wisdom of this. At present I do not envisage introduction of legislation in this area but I hope that the industry will encourage us to do so when they see the possible benefits.

[*Translation*]

HOUSE OF COMMONS

DATE OF BY-ELECTIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the right hon. Prime Minister.

In view of the interest we hold for the representation of those ridings without members in the House, and since our organizers—particularly in Quebec—have been quite well trained for the last five or six weeks, could the Prime Minister tell the House when he will announce the holding of by-elections, because I think this moment is quite appropriate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I intend to announce that date in the House.

* * *

IMMIGRATION

REQUEST FOR INQUIRY INTO ALLEGED PAYMENT TO OBTAIN LANDED IMMIGRANT STATUS

Mr. Jacques Lavoie (Hochelaga): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration.

Because it is my duty both as a Quebecer and as a member of parliament to defend my fellow citizens, and in view of the fact that a Canadian individual of Portuguese origin anxious to obtain landed immigrant status has been forced to pay $150 for some formalities to be filled on his behalf by the Liberal representative for Montreal-Saint-Louis in the Quebec National Assembly, can the minister advise the House whether such action is acceptable on the part of either a provincial or federal elected representative and also whether he intends to investigate this matter in view of the large number of people who have been victimized in this way and about whom I shall let him know as soon as I am in possession of the documented evidence?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): I will be happy to receive the information which the hon. member has indicated he will provide and I will turn it over to my colleague, the Minister of Consumer and Corporate Affairs, if such action is in fact taking place.

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ENERGY

DECISION ON REFINERY FOR ELDORADO NUCLEAR AT PORT GRANBY—REASON COMPANY TAKING UP OPTIONS ON LAND

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I should like to direct my question to the Minister of Energy, Mines and Resources. Can the minister inform us whether there has yet been a ministerial or government decision with regard to the request that the new refinery of Eldorado Nuclear be built at Port Granby, Ontario, which is just outside Port Hope? If that decision has been made, will the minister tell us what the decision is, and if the decision has not been made, will he tell us why not?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member always tries to make his questions very simple with "if not, why not", and so forth.

Mr. Baker (Grenville-Carleton): A simple minister; that's why.

Mr. Gillespie: It is never quite as simple as the hon. member would like it to be. The hon. member must know that there are a number of agencies which would have to approve any new plant in the Port Granby area. I refer to the local authorities with respect to zoning, the provincial government with respect to health and the environment, the federal government with respect to health and environment and the Atomic Energy Control Board and approval with respect to the question of the capital budget of Eldorado itself. Against that background it is quite clear that the approval of all of these bodies has not as yet been obtained nor have applications been made to all of them. The answer is that no approval has yet been given.

If I understood correctly, the second part of the question was with respect to waste management. I think the hon. member implied this. The federal government will be taking steps to provide for a permanent waste management facility in that area.

Mr. Lawrence: I gather from that that the ministerial decision has not yet been made. If that is so, I wonder why this Crown agency, for which the minister is responsible, is now very actively taking up options on the land and in effect is buying the land needed for the refinery. If the Crown agency does not believe the minister has made the decision, why is it buying the land for the refinery today?

Mr. Gillespie: If the hon. member had listened to the last part of my answer, I think he would have found the answer to that question. The reason is that under its terms of reference the corporation is perfectly free to make an acquisition and to exercise an option for the purchase of land. It is under very stringent constraint orders from the Atomic Energy Control Board to provide a permanent waste management facility with the existing waste management facility at Port Granby. The corporation has exercised its option, which is perfectly legal.

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STATISTICS CANADA

REQUEST FOR ATTENDANCE OF FORMER CHIEF STATISTICIAN, DR. OSTRY, AT COMMITTEE HEARING

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce which arises out of an answer he gave to a question asked yesterday by the hon. member for Central Nova. The minister indicated his willingness to bring the matter of Statis-

tics Canada before a committee of the House, and he said he would also be willing to have Dr. Kirkham come forward and answer all questions. Aside from the question of the appropriateness of that forum, which is another matter, since Dr. Kirkham was not the chief statistician during the time these alleged questionable practices took place—and perhaps his testimony alone might not be sufficient—would the minister undertake that if the committee requests it, he would use his good offices to ensure that the committee could have the attendance of Dr. Sylvia Ostry, who was in fact the chief statistician at the time these alleged matters took place?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, I think that Dr. Kirkham will be able to satisfy the committee's curiosity, because the record is quite clear, and also that hon. members will be satisfied with his answers. Should Dr. Kirkham be unable to make his points clearly enough, we might then examine the suggestion made by the hon. member; in view of the circumstances, however, I feel that it is the person in charge who should answer for the department.

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[*English*]

ROYAL CANADIAN MOUNTED POLICE

REDUCTION IN PENSION OF CONSTABLE HALE—GOVERNMENT ACTION TO RECTIFY

Mrs. Simma Holt (Vancouver-Kingsway): Mr. Speaker, my question is for the President of the Treasury Board. Is the minister aware of the matter of ex-RCMP constable Eugene Hale, whose disability pension was cut back from 100 per cent to 20 per cent because he was taken from hospital to his home to live out the final days of his life, and if so, will he now intervene to correct this cruel cutback and also move to change the Canadian Pension Commission regulations so that this situation will never again arise?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, I will take very careful note of the comments and recommendations of the hon. member and have my department look immediately into rectifying any injustice or error which may have occurred. I should like an opportunity to check the facts fully before making a final decision.

* * *

● (1430)

ANTI-INFLATION PROGRAM

ALLEGATION BELL CANADA RETAINING AS PROFIT PART OF FUNDS ALLOWED FOR LABOUR COSTS—GOVERNMENT ACTION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that members of the Communications Workers Union of Canada have been attempting to negotiate a new contract with the Bell Telephone Company for over a year now, and in view of the fact that this company, Canada's richest and largest communications corporation, received a rate increase last fall, approved by cabinet, which included provisions for a labour cost increase of $80 million, what personal intervention is the minister prepared to take to prevent Bell Canada from keeping as a windfall profit, up to $52 million of the $80 million which was approved for increased labour costs, by hiding behind the anti-inflation guidelines?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not think it would be advisable for the Minister of Finance to become involved in the negotiations in that labour contract and it would not be my intention to do so. It is, of course, a matter for the parties involved to negotiate their collective agreement. We have heard a lot of discussion about free collective bargaining in recent months. The hon. member seems to be saying the Minister of Finance should take it over; I do not propose to do that.

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COMMUNICATIONS

LENGTH OF TIME NECESSARY TO APPROVE RATE INCREASE FOR BELL CANADA

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, a supplementary question to the Minister of Communications. In view of the fact that it took Bell Canada only two months to negotiate and get approval from the CTC and cabinet for their last rate increase of $102 million, can the minister assure the House that the CRTC and cabinet will take as long to negotiate Bell Canada's present rate increase application as it has taken the company to negotiate a new contract with the Communications Workers Union?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, the CRTC has to look into demands for increases in rates by Bell Canada and that demand has been deposited with the CRTC which, according to its new procedure, is asking Bell Canada to come forward with the detail that will allow the commission, as well as other people who are interested in intervening, to look into all the facts. Then the CRTC, I hope, will be able to come to its final decision. The CRTC follows the guidelines of the Anti-Inflation Board and will make allowance for any new expenses or any new expansion which Bell Canada has. As a regulatory body, the CRTC looks into those questions very rigorously.

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ENERGY

REQUEST FOR REPORT ON PROPOSAL TO ESTABLISH URANIUM REFINERY IN SASKATCHEWAN

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the very severe rebuke given to the

provincial government of Saskatchewan at the New Democratic Party convention last weekend respecting its uranium policy, I wonder if the minister could run through the situation with respect to the establishment of a refinery in Saskatchewan, the studies that are under consideration and when a decision will be taken with respect to the establishment of a refinery in Saskatchewan, if ever?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, if I understood the hon. member, he said the New Democratic Party convention had given a strong rebuke to the government of Saskatchewan. If the hon. member is asking me to answer for the government of Saskatchewan, he is asking the wrong man.

Mr. Hnatyshyn: A supplementary question, Mr. Speaker. I realize the minister wants a simple question so I shall put a very basic one to him. What is happening in the province of Saskatchewan with respect to the establishment of a uranium refinery? I hope he can answer that simple question.

Mr. Gillespie: Mr. Speaker, I would not want to take any liberty with the hon. member, other than to suggest that he read the public release which sets out in some detail the arrangements that have been made by Eldorado, and the kind of discussions that have taken place between Eldorado and the government of Saskatchewan.

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COMMUNICATIONS

CABLEVISION—POSSIBILITY SAME TYPE OF AGREEMENT AS THAT MADE WITH MANITOBA WILL BE MADE WITH OTHER PROVINCES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is to the Minister of Communications. In view of the unique arrangement and agreement the minister announced last week between the government of Canada, the government of Manitoba and the telephone system which will give a cable plant to Manitoba, is the minister going to use this as a precedent for other provinces, particularly Saskatchewan and Quebec which also have telephone companies interested in the ownership of cable plants?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I think the hon. member knows that the company which gives the greater part of the telephone service in the province of Quebec is Bell Canada and it is regulated by the CRTC. As for the first part of his question, if any other province has an interest in the kind of agreement which I have negotiated with the province of Manitoba, I am willing to enter into discussion. I feel that agreement sets forth the way the two governments decided to administer a particular area where the provincial government has an interest as well as the federal government.

RESUMPTION OF ADJOURNED CONFERENCE WITH PROVINCIAL MINISTERS

Mr. J. P. Nowlan (Annapolis Valley): A supplementary question, Mr. Speaker. Can the minister assure the House that in future negotiations there will be some consistency in the type of agreement made between provinces where there is an interest by a provincial government, through its telephone system or a private system, in the ownership of cable plants. Since the communications conference which was to be held in November was adjourned because of the election in Quebec will the minister take the initiative with her provincial counterparts to get that conference back on the road so that the question of jurisdiction and other matters, particularly cable, can be resolved?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, I have every intention of resuming discussions and planning for a future conference with the ministers of communications. I feel it is important for the provinces to have an input into the federal government's policies of telecommunication. As for the hon. member's worry about my being consistent, I can assure him that I will be. The agreement that was negotiated between myself for the government of Canada and the provincial government of Manitoba dealt with problems between us. The situation in other provinces might be slightly different. I can assure the hon. member that I shall be as consistent as I possibly can.

PROVISION IN AGREEMENT WITH MANITOBA FOR EXTENSION OF CABLE TO RURAL AREAS—GOVERNMENT POSITION

Mr. Jake Epp (Provencher): Mr. Speaker, I have a supplementary question for the Minister of Communications. In the agreement she signed on behalf of the government of Canada, with the government of Manitoba on behalf of the Manitoba telephone system, were guarantees given by the government of Manitoba that the investment of the two cable operators would be guaranteed? Also, were formal commitments made by the Manitoba telephone system that they would expand cable into rural areas if this agreement could be signed? Was a commitment made by the Manitoba telephone system or the province of Manitoba that this cable extension would take place as an integral part of the agreement signed with the communications minister?

Hon. Jeanne Sauvé (Minister of Communications): Mr. Speaker, that agreement was signed between the provincial government of Manitoba and the government of Canada. The government of Manitoba will deal with the Manitoba Telephone Company as it feels it should. I have secured in the agreement guarantees for the federal jurisdiction over broadcasting matters. That was my specific function and my specific mandate. As for the modifications or future planning of Manitoba telephone and the relationships it should be developing with cable operators, that is a matter between them.

Mr. Epp: A supplementary question, Mr. Speaker. In view of the Manitoba government being the sole negotiator and also

the sole owner of the Manitoba telephone system—in other words they are negotiating with themselves—has the minister given guarantees that the private operators will have the ability and the license to expand into markets that at the present time they have not been able to expand into because the CRTC has withheld licences, even where hearings have been held two years previously? They have frozen any decision.

Mrs. Sauvé: Mr. Speaker, as far as I know the CRTC is on schedule as to the examination of applications for cable.

Mr. Epp: No. Two years.

Mrs. Sauvé: No, sir. They are on schedule. They come down with their decisions and I have nothing to do with the decisions of the CRTC as they apply to specific applications.

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TRANSPORT

DANGERS PRESENTED BY TANKERS IN STRAIT OF JUAN DE FUCA—GOVERNMENT ACTION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, a question for the Minister of Transport. During the past fortnight there have been two incidents involving foreign flag tankers wandering about in the most dangerous fashion in the waters of the straits of Juan de Fuca—the Panamanian flag *White Poppy* and the Kuweiti flag *Warbah*. I hope the minister has recovered sufficiently from his trip on the people's airline which so many of us are obliged to take as a matter of routine. I wonder if the minister has now recovered and is prepared to look into these infractions of good seamanship and tell the House what steps he plans to take to make sure they do not occur again.

● (1440)

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I had an opportunity to look into the first incident and discovered that the vessel in question was under the voluntary control of United States authorities, under the existing arrangements. The voluntary system is due to be replaced with a compulsory system as soon as discussions between the United States and Canada in that regard can be completed. We look forward then to having one of the best possible systems of navigation.

Mr. Munro (Esquimalt-Saanich): A supplementary question, Mr. Speaker. I gather from the minister's reply that he suggests an accident on the United States side would not affect our beaches and fisheries. I wonder if that is the purpose of trying to place the blame on the American side.

Mr. Lang: Mr. Speaker, I do not think any reasonable person could draw that inference from what I said. I simply indicated that in that particular situation the vessel was under the guidance of American authorities.

[Mr. Epp.]

Mr. Munro (Esquimalt-Saanich): But it was in Canadian waters.

Mr. Lang: I made no comment about what damage it might or might not do.

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CANADIAN DAIRY COMMISSION

REQUEST OF ONTARIO PRODUCERS FOR MEETING WITH MINISTER FOLLOWING FIRING OF CHAIRMAN AND VICE-CHAIRMAN

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, my question for the Minister of Agriculture arises because of the sudden firing of the chairman and vice-chairman of the Canadian Dairy Commission. Has the minister received the telegram sent on behalf of some 18,500 dairy producers in Ontario by the chairman of the Ontario Cream Producers Marketing Board and the Ontario Milk Marketing Board which states in part that as a consequence of the reported appointment of a new chairman with little knowledge of the national dairy industry, "We are requesting immediate consultation with you" regarding the strong and respected leadership required of the Canadian Dairy Commission in these difficult times? If so, has the minister set a date for the meeting which was requested by Mr. Smeltzer and Mr. McLaughlin?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I have not seen the telegram but my office has an open door policy and we will discuss anything with them at any time. Let me say that they make appointments from time to time. I do not think I have ever discussed this matter with them, but what they do affects the policy for which I am responsible and for which, on behalf of all Canada, I must answer. I do not object to what they do. After I explain what I have done and why I did it, I am sure they will not have any further objection. I am not aware of the telegram alluded to. As I have said many times in the past, their concern is my concern. This Minister of Agriculture and this government have given the dairy farmers of Canada the best income and the best dairy policy they have ever had in the history of this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

ALLEGATION CHAIRMAN PROMISED HE WOULD RETAIN POSITION FOLLOWING SICK LEAVE

Mr. Perrin Beatty (Wellington-Grey-Dufferin-Waterloo): A supplementary question, Mr. Speaker. The telegram was sent on Thursday and I think every member of parliament from Ontario, except the minister, got a copy. I can send the minister a copy of it. Can the minister confirm that when the former chairman of the Canadian Dairy Commission began his sick leave, he, the minister, promised him that his job as chairman would be awaiting him on his return, but that he, the

minister, changed his mind and broke that promise by attempting to demote Mr. Powers to the position of vice-chairman, a demotion which Mr. Powers refused to accept?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, Mr. Powers and I have been friends for a long time. We made this decision and we are still friends. Mr. Powers has agreed to meet me in January, to discuss other responsibilities which I feel he is capable of fulfilling in Agriculture Canada. He has made a tremendous contribution to Agriculture Canada. He is a tremendous individual; but the workload in today's dairy commission is most demanding. I talked to him about his own and his family's position. We discussed these questions in total before the decision was made. When I offered him the vice-chairmanship of the commission, he said he would rather not be a member of the commission because he did not think it would be fair to the new chairman of the commission if the old chairman were to sit at his side as vice-chairman.

I respected Mr. Powers for that position. Let met say that I also talked to his doctor and discussed Mr. Powers' position in an attempt to learn if Mr. Powers could fulfil the full-time obligations of this board. It is a demanding job and needs someone working at it full time. Mr. Powers agreed with what we had decided. As I said, we parted on amiable terms and we still have respect for one another.

Mr. Beatty: A final supplementary question, Mr. Speaker. Would the minister confirm that when Mr. Powers took his sick leave he was promised by the minister that his job would be waiting for him when he returned? Secondly, may I ask—

Mr. Speaker: Order, please. With respect to the hon. member, I suggest that he has precisely repeated his earlier question.

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FINANCE

POSSIBILITY OF EXTENDING ACCELERATED WRITE-OFF PROGRAM FOR ANTI-POLLUTION EQUIPMENT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question to the Minister of Finance relates to accelerated capital cost allowances for purchasers of anti-pollution equipment. Since the accelerated write-off program is scheduled to end on December 31, will the Minister of Finance say if he intends to extend this provision for the 50 per cent per annum write-off and, if so, for how long a period would that extension be in effect?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, certain of the provisions in this regard were dealt with at the time of the budget this year. Perhaps it would be better if I talked to the hon. gentleman about specific items he has in mind, because the treatment is not necessarily uniform.

ENVIRONMENTAL AFFAIRS

MINISTERS' VIEW OF ACCELERATED WRITE-OFF PROGRAM FOR ANTI-POLLUTION EQUIPMENT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, may I direct my supplementary question to the Minister of the Environment? Is it the minister's view that the accelerated capital cost allowances program has been successful and does the minister think that the program should be extended for at least one more year?

Mr. Speaker: Order, please. With respect, that is seeking an opinion of the minister rather than information.

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PERFORMING ARTS

SALUTE TO NATIONAL BALLET ON TWENTY-FIFTH ANNIVERSARY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wonder if I could risk a diversion to a happier aspect of life in our country and ask the Secretary of State if he will join with me in a salute to the National Ballet of Canada on the twenty-fifth anniversary of its founding, an event brilliantly celebrated in its home city of Toronto?

Some hon. Members: Hear, hear!

Hon. John Roberts (Secretary of State): Mr. Speaker, I welcome the opportunity to join in the remarks of the distinguished hon. member. Last Friday I was at the performance of the National Ballet, to mark its twenty-fifth anniversary. On that occasion I made a short speech to congratulate Celia Franka for her splendid work over the past twenty-five years in making this company one of the most extraordinary and important parts of Canada's cultural heritage.

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[*Translation*]

IMMIGRATION

ALLEGED IMMINENT DEPORTATION OF CHILEAN FAMILY—GOVERNMENT POSITION

Mr. Louis Duclos (Montmorency): Mr. Speaker, my question is for the Minister of Manpower and Immigration.

Could the minister tell the House what his department intends to do in the case of the Chilean citizen, Mr. Romeo Humberto Ponce Bustos and his family who, although they have been living in Montreal for more than a year, will soon be deported and who would undoubtedly be in danger if they had to go back to Chile after being deported from Canada?

[*English*]

Hon. Jack Cullen (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for his representations on behalf of this particular family. I had looked into the matter personally. They have gone through all the appeal

procedures and a deportation order has been made. Consequently, my department is bound by that order. However, in the light of the facts as I have studied them in that particular file, I can say that there is a procedure whereby the deportation order may be executed, but they may be able to arrange, on that particular basis, to be re-admitted under a minister's permit. I am looking into that at present.

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EXTERNAL AFFAIRS

ALLEGED APOLOGY BY PRIME MINISTER TO JAPANESE FOR ACTIONS DURING WAR—INQUIRY AS TO AID FOR JAPANESE CANADIANS

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question directed to the Prime Minister concerns the apology the Prime Minister made to the prime minister of Japan recently for the conduct of the Canadian government and Canadians toward Japanese Canadians during the last world war. Would the Prime Minister advise the House if he intends to apologize in Canada to Canadians of Japanese descent for the conduct of the Canadian government at that time? Also, will he advise if he has anything more tangible in mind than an apology, considering the decision of the Supreme Court, which dismissed claims by Japanese Canadians against that injustice?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member would be better informed for his question if he read what I stated in Japan rather than reading apparently the many reports and letters to newspapers on the subject. I never used the word "apologize." I never used "intention of apologizing." I explained that part of our history and its relation to people of Japanese origin. I was doing it in the Canadian embassy, on Canadian soil, to a largely Canadian audience. I was reciting part of our history. It is well known to everyone. It was not stated by way of apology. It was stated by way of explaining that relations between us have indeed improved since the days when they were not very good at the turn of the century and since the days during and following the second world war, when certain regrettable actions were taken. But the thrust of the speech, the toast I was making, was to indicate that Canadians of Japanese origin were indeed good citizens and had attained prominence in every part of Canada and in every part of Canadian life. I wish the hon. member would refer to that statement if he wants to ask some further questions.

● (1450)

Mr. Leggatt: Mr. Speaker, I thank the Prime Minister for asking me to refer to his statement, which I have in front of me. He indicated that Canadians had deprived Canadian Japanese of their civil rights during World War II. If that is not an apology, I do not know what is. The Prime Minister did not indicate whether he would do anything more tangible than use words to describe the injustice upon Japanese Canadians at that time. At that meeting, did the government of Japan or the Prime Minister of Japan apologize to Canadians for the conduct of the Japanese government in terms of their treatment of Canadian prisoners of war during World War II?

[Mr. Cullen.]

Mr. Trudeau: Mr. Speaker, the hon. member says he has the statement in front of him. If he refers to it, he will see there is no indication of an apology. There is a statement of facts which are admitted on all sides. I do not think it is beyond our capabilities as a country to realize that some things in the past were not very glorious. There is no great mistake in referring to it. If the hon. member would like other countries to do the same, he could refer to them. Maybe he will get them to recognize things in their past which are not very glorious.

* * *

SUPPLY AND SERVICES

REQUEST FOR TABLING OF CONTRACT FOR PURCHASE OF LEOPARD TANK

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of Supply and Services. The Secretary of State for External Affairs and the Minister of National Defence have announced the purchase of Leopard I tanks. Leaving aside the relative merit of the Leopard I tank, as opposed to other main battle tanks, and the impossibility of up-gunning the Leopard I, will the Minister of Supply and Services table the contract as was done with the LRPA?

[*Translation*]

Hon. Jean-Pierre Goyer (Minister of Supply and Services): Mr. Speaker, I see no objection in making available to any hon. member any contract we pass with our suppliers. However, each time we negotiate a contract I have to table it before the House. I think that the situation is thus more complicated. The hon. member may well ask my department to consult the contracts and he will get the full cooperation of my officers. If not, he just has to tell me and I will look into it personally.

* * *

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—SUGGESTION MASSIVE SPENDING NEEDED TO SOLVE PROBLEM IN ATLANTIC PROVINCES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister confirm, as stated in today's Ottawa *Journal*, that last week he had been briefed by the Minister of Finance to the effect that massive federal spending will be needed to mop up unemployment in Quebec and Atlantic Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know to what rumour or item the hon. member is referring. I would make it quite clear that the Minister of Finance and I from time to time, do discuss the economic situation of the country. We intend continuing bringing

answers to the most pressing economic concerns of the country.

* * *

EXTERNAL AFFAIRS

DISCUSSION WITH UNITED STATES ON USE OF BUILDINGS AT ARGENTIA NAVAL STATION

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. The minister will recall that the United States forces moved out of the north side of the Argentia naval station several years ago, leaving vacant various buildings and facilities having potential for industrial development in the area. They imposed a stipulation that they can reclaim these with 30 days notice, preventing any development. Has the minister had any discussions with the United States authorities on this in an attempt to get that condition changed? If so, when will those discussions be concluded? When will there be an announcement of some change or is there likely to be a change in that stipulation?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, the discussions are certainly taking place, in fact as recently as three weeks ago. That is why I can respond by saying I was encouraged by the results of those discussions and expect to get some word soon from the United States authorities. However, I have no idea as to the specific date or time when I will hear from them.

GARRISON DIVERSION—REASON FOR GRANTING INTERNATIONAL JOINT COMMISSION ADDITIONAL TIME TO MAKE REPORT

Mr. Dean Whiteway (Selkirk): Mr. Speaker, my question is to the same minister. It has to do with the Garrison diversion project and the recent diplomatic note sent by Canada to the United States asking for a moratorium on construction. On what fact did the government base its decision in August to allow the IJC an extension of eight months for its final report, a decision that was made after the subcommittee on appropriations and after the President of the United States signed $23.5 million for next year's construction? What facts led the government to agree to an extension with the knowledge that next year's construction funds had already been appropriated?

Mr. Speaker: With due respect, I am sure the hon. member will realize that is a matter not to be pursued here in that manner but before the committee.

Oral Questions

GOVERNMENT ADMINISTRATION

INCREASE IN ITEMS FOR PURCHASE, REPAIR AND UPKEEP—POSSIBLE MEANS OF SECURING ADDITIONAL FUNDS FOR DEPARTMENTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a question for the President of the Treasury Board. Given the fact that the purchase, repair and upkeep category of spending has increases averaging 16 per cent proposed in the Supplementary Estimates (B), and having regard for the phenomenal increases experienced in purchase, repair and upkeep for 1975-76 over 1974-75 averaging a staggering 450 per cent, most of which was also put through by the use of mid-year supplementary estimates, can the minister advise the House whether this was a legitimate mid-year breakdown in various departments of government or whether this route is being used as an illegitimate way of securing funds for additional government expenditures within the departments?

Hon. Robert K. Andras (President of the Treasury Board): Mr. Speaker, it is certainly my impression that it is a totally legitimate method. I will be glad to go into detail or have somebody do that when those supplementary estimates are before the appropriate committee for full examination.

Mr. Mazankowski: If the minister considers an increase of 450 per cent in this category to be legitimate, is he reviewing the guidelines and perhaps recommending to the departments that they buy machinery which is less prone to breakdown? Is he investigating the manner in which this appropriation is taking place? In particular, can the minister advise why this category for the Anti-Inflation Board has increased 460 per cent in this year's Supplementary Estimates (B)?

Mr. Andras: Mr. Speaker, the hon. member usually asks the question, have you stopped beating your wife. I will give a detailed answer so it will be percisely on the record when I appear or when that item appears before the committee.

* * *

FOREIGN INVESTMENT

POSSIBLE DISCUSSION OF TARIFF ON APPLIANCES DURING NEGOTIATIONS FOR ACQUISITION OF WESTINGHOUSE APPLIANCE DIVISION

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. In the negotiations on the merger of Canadian General Electric and General Steel Wares and the proposed acquisition of the Westinghouse appliance division announced last Wednesday, was there any discussion regarding tariffs on imported appliances with CGE and GSW?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): Mr. Speaker, the question of tariffs as they apply to household appliances was not brought up during the negotiations I have had with the people concerned.

Order Paper Questions

[*English*]

POSSIBILITY OF CHANGE IN TARIFF ON APPLIANCES AFTER WESTINGHOUSE APPLIANCE DIVISION ACQUIRED

Mr. Bill Kempling (Halton-Wentworth): In view of the dominant position this proposed new company will have in the appliance industry in Canada and noting that it was stressed at the press conference, the export potential of the new company, was there a quid pro quo that once the new company is established and operating and production rationalization achieved that tariffs on imported appliances would be adjusted to allow the new company to offer a full line of appliances for sale or to assist it exporting some of its lines?

[*Translation*]

Hon. Jean Chrétien (Minister of Industry, Trade and Commerce): No, Mr. Speaker, there has never been any talk of giving that industry a special status. I even believe that the president of one of the two companies observed that, because of the general negotiations now in progress in Geneva with regard to tariffs, he felt that lowering the tariffs internationally might even improve competition for that group of companies, both in the domestic and the export markets.

* * *

● (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

MINISTER'S VIEW OF EXTENSION OF ACCELERATED WRITE-OFF PROGRAM FOR POLLUTION CONTROL EQUIPMENT

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of the Environment. Has the hon. gentleman recommended an extension of the accelerated write-off provisions affecting pollution control abatement equipment to his colleague, the Minister of Finance?

Hon. Roméo LeBlanc (Minister of the Environment): My officials, at my request, are now engaged in conversations with officials of the Department of Finance, and the minister and I will be discussing this matter.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: 283, 362, 635 and 646.

[Mr. Chrétien.]

[*Text*]

FERRY SERVICE OPERATIONS TO PEI

Question No. 283—**Mr. Huntington:**

1. For the ferry systems from (a) Cape Tormentine, New Brunswick to Borden, Prince Edward Island (b) Caribou, Nova Scotia to Wood Islands, Prince Edward Island, what was the (i) total annual revenue (ii) annual cost (iii) annual loss for the years 1971 to 1975?

2. If there was a loss, was the loss subsidized (a) directly and, if so, from what source (b) indirectly and, if so, to what account was it charged?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows: 1. (a) For the ferry systems from Cape Tormentine, N.B. to Borden, P.E.I. the revenues, expenses, and deficits paid by the federal government for the calendar years 1971 to 1975 inclusive are:

Year	(i) Revenues	(ii) Expenses	(iii) Deficits
1971	$2,318,684	$ 7,824,392	$ 5,505,708
1972	2,590,063	8,578,070	5,988,007
1973	2,732,503	11,080,198	8,347,695
1974	3,232,525	13,965,147	10,732,622
1975	3,696,171	17,220,457	13,524,286

The Canadian Transport Commission advises as follows: 1. (b) (i) (ii) (iii) This is propriety information relating to the operations of a private carrier and as such is not made public.

Transport Canada advises as follows: 2. Deficits arising from the operation of the ferry service from Cape Tormentine to Borden were paid by the Department of Transport to the operator of the ferry service, Canadian National Railway Company, and are reflected in Department of Transport Vote 40. The Canadian Transport Commission advises as follows: The Wood Islands, P.E.I. to Caribou, N.S. service receives an operating subsidy administered by the Water Transport Committee of the Canadian Transport Commission. The subsidy for the last four years has been in the amount of: 1971-72, $1,000,000; 1972-73, $1,449,000; 1973-74, $2,000,000; 1974-75, $2,400,000.

RADIO BEACONS AT VICTORIA INTERNATIONAL AIRPORT

Question No. 362—**Mr. Munro (Esquimalt-Saanich):**

1. Are all radio beacons installed at Victoria International Airport in working order and operating and, if not (a) how many (b) in each case (i) which one (ii) where is it located (iii) on what date was it taken out of service and for what reason (iv) on what date will it be re-activated?

2. What alternative guidance devices, if any, were put in temporary service to assist aircraft in their approach and transit movements?

3. Were all regular and potential users of these beacons notified in an appropriate way of the change or changes?

4. How much in advance was notice given of de-activation, and by what method (a) domestically (b) to foreign operators?

Mr. Marcel Roy (Parliamentary Secretary to Minister of Transport): 1. No. (a) One. (b) (i) The Victoria Very High Frequency Omnidirectional Range (VOR); (ii) Magnetic bearing 335°, distance 4.9 nautical miles from the Victoria International Airport; (iii) July 26, 1976 for Doppler VOR installation; (iv) Estimated November 30, 1976.

2. The low frequency Gordon Head non-directional beacon was installed at the Victoria VOR site as an alternative guidance device.

3. Yes.

4. Three days. (a) Class I Notice to Airmen. (b) Class I Notice to Airmen.

AIB DECISIONS AND NEWS RELEASES

Question No. 635—**Mr. Beatty:**

1. What is the distribution policy of the Anti-Inflation Board concerning copies of its decisions and news releases?

2. (a) How many names were on the AIB's regular mailing list prior to June 23, 1976 (b) what categories of individuals and organizations are included?

3. What was the unit cost of the envelopes customarily used by the AIB for public mailing of news releases and similar material prior to June 23, 1976?

4. What was the total cost to the taxpayer including supplies, labour and postal expenses for an average mailing by the AIB in the month of May, 1976?

5. What is the practice of the AIB concerning sending more than one mailing a week to weekly newspapers?

6. Was the AIB, prior to June 23, 1976, aware that some of the individuals on their mailing list had been receiving as many as five or seven separate mailings on one day and, if so, does it intend to eliminate this practice in future?

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): 1. News releases and decisions of the Board are distributed on a selective basis to those with interest in particular subjects.

2. (a) The AIB has no regular mailing list. Each individual mailing is selective. (b) Daily newspapers, 113; weekly newspapers, 725; individuals, 705; arbitrators, 441; associations, labor, 267; industry and business, 246; professionals, 242; consumers, 50; construction industries, 101.

3. $34 per 1,000.

4. $332.

5. Since June 7, the AIB has made one mailing per week to the weekly newspapers.

6. Yes. Once a week mailings were established beginning June 7 for all except the daily newspapers.

PURCHASE OF BEEF AND AGRICULTURAL GOODS

Question No. 646—**Mr. Beatty:**

1. Did the government purchase any foreign beef for use in federal institutions and, if so (a) what was the dollar value of any such beef purchased over the twelve month period prior to July 12, 1976 (b) in what institutions was it used?

2. Does the government make a conscious effort to purchase Canadian agricultural goods over foreign imports for use in federal institutions and, if so, what are the guidelines dealing with such purchases, by whom were they issued and on what date were they issued?

Hon. Jean-Pierre Goyer (Minister of Supply and Services): In so far as the Department of Supply and Services is concerned: 1. No. (a) Not applicable; (b) not applicable.

2. Yes. It is the policy of the Department of Supply and Services to consider foreign content in the assessment of tenders and to give preference to Canadian products to the extent of 10 per cent of the difference in the foreign content. The guidelines is Cabinet Directive dated May 18, 1950, confirmed by Cabinet Decision dated June 8, 1965.

* * *

[*English*]

STARRED QUESTIONS

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call starred questions Nos. 319 and 320?

[*Text*]

*WAGE AND SALARY AGREEMENTS RECEIVED BY AIB

Question No. 319—**Mr. Orlikow:**

1. How many wage and salary agreements reached between employers and their unions have been received by the Anti-Inflation Board for approval by (a) May 1, 1976 (b) June 1, 1976 (c) July 1, 1976 (d) August 1, 1976 (e) September 1, 1976 (f) October 1, 1976?

2. How many were decided upon by the Board and the decisions conveyed to the applicants by October 1, 1976?

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): Perhaps I might answer question No. 319, Mr. Speaker. 1. Wage and salary plans and agreements between employers and their employees required under the Anti-Inflation Program are known as Compensation Reports (AIB-2). The number of Compensation Reports received by the Anti-Inflation Board for approval by the date indicated was: May 1, 1976, 8107; June 1, 1976, 10512; July 1, 1976, 13373; August 1, 1976, 16531; Sept. 1, 1976, 18271; Oct. 1, 1976, 21733.

2. The number of Compensation Reports decided upon by the Anti-Inflation Board and decisions conveyed to the applicants by October 1, 1976 was 15004.

[*Text*]

*WAGE AND SALARY AGREEMENTS RECEIVED BY THE AIB

Question No. 320—**Mr. Orlikow:**

1. How many wage and salary agreements reached between employers and their unions have been received by the Anti-Inflation Board for approval by (a) January 1, 1976 (b) February 1, 1976 (c) March 1, 1976 (d) April 1, 1976?

2. How many were decided upon by the Board and the decisions conveyed to the applicants by April 1, 1976?

[*English*]

Mr. Ross Milne (Parliamentary Secretary to Minister of Communications): 1. The number of Compensation Reports received by the Anti-Inflation Board by the dates indicated was: January 1, 1976, 230; February 1, 1976, 400; March 1, 1976, 651; April 1, 1976, 4510.

2. The number of Compensation Reports decided upon by the Anti-Inflation Board by April 1, 1976 was 2706 and the number of decisions conveyed to the applicants was 327. Up to July 1, 1976 the Anti-Inflation Board was not signifying approval of Compensation Reports that were found to be within the guidelines.

Restraint of Government Expenditures

Mr. Ralph E. Goodale (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to use my remaining seven or eight minutes to expand on the remarks I made before the lunch hour in which I indicated that the loss of the subsidy, the At-East rates on flour milled in western Canada and exported through the Port of Halifax, amounts to more than 69 cents per hundred pounds, on flour milled in Ontario and exported through Halifax, amount to more than 81 cents per hundred pounds, and that the removal of these rates handicaps our grain producers and millers to the point at which they will likely lose sales on the international grain and flour market.

The milling industry and those engaged in grain production have enough problems as it is without the government attempting to show restraint in the wrong direction. International sales have been declining steadily. The Canadian share of international sales of commercial flour has fallen from 31 per cent to 11 per cent in the 20 years between 1954 and 1974. Yet what do we find? We find the government trying to save about $3 million on flour exports and $8 million on grain shipped to the Atlantic ports and to the St. Lawrence ports, a paltry $11 million, while on the other side of the coin, the loss of those rates will mean unemployment in the mills and in the terminals on Georgian Bay and on the Atlantic coast; it will mean lost flour sales, and I submit that these costs, when added together, will prove to be far in excess of any amount which the government might save through the cancellation of the At-East rates.

The government wants to show restraint. The Minister of Transport (Mr. Lang) has the nerve, on this pretext, to try to do away with part of the Railway Act, one of the few things the grain processors and the people of Atlantic Canada have left to them. The minister is trying to do away with it in the name of restraint. Yet he himself flies his friends to his brother-in-law's party in Regina via Saskatoon at the cost of some $10,222. Of course, he had, naturally, to take some fellows from the press gallery along with him. He had to take some musicians along from the press gallery to his brother-in-law's birthday party; he went to Saskatoon first, and then down to Regina on that little jaunt. No restraint was shown there, Mr. Speaker. Maybe he was trying to help his brother-in-law who is running for the leadership of the Saskatchewan Liberal Party. I do not know what kind of relationship exists there, because the hon. gentleman's brother-in-law now says that the Saskatchewan Liberal Party should separate from the federal Liberal Party. What effect that will have upon this relationship, I don't know. But I do wish the Minister of Transport would quit talking out of both sides of his mouth.

He wants the grain elevator operators of Atlantic Canada and the lower St. Lawrence and Georgian Bay to show restraint, to pick up the tab and compete on their own against the United States and the EEC. The reality is that in all industrialized nations flour milling is subsidized. Both the United States and the EEC, our main competitors in the international market, give heavy support to their flour industries. The loss of the At-East rates, bearing in mind this sort of competition, means that our millers' share of what they have left of the international market is bound to suffer. Surely, this is the worst time of all for even the present Minister of Transport to take the kind of action he proposes.

This is an item which must be deleted. I hope the government got a message last night. The people of Quebec sent a message to the Government of Canada. Indeed, they sent a message to all of us. They are demanding fundamental changes in their economy and in their society. They intend to get things like an automobile insurance plan which will save the average motorist in the province $500 or $600 a year. They intend to get social and economic changes on a scale never known before in the province. In the light of a message of that kind, it seems to me the Minister of Transport, or at least his colleagues from the Province of Quebec and Atlantic Canada, should insist that clause 15 be deleted from this bill when it comes before the committee. To ignore the geography of our country, to ignore the distances that flour and grain for milling purposes has to be moved is to fly in the face of all good sense and economic reality. Surely this is not an area in which to try to exercise government restraint. What is involved here is an investment rather than a subsidy. What is really happening is that all the people of Canada are sharing in the cost of delivering flour and wheat for milling purposes to export positions where they can compete on a fair basis with exports from the United States and the EEC. To ask those millers and grain producers to pick up 69 or 70 cents a hundred pounds of flour milled in western Canada, and in Saskatoon in particular, or 82 cents a hundred pounds for flour milled inland in western Ontario or at the bay ports in Ontario, is to deny them any success in flour sales outside of our borders. It just is not fair to ask them to compete by themselves against the treasuries of the United States and the kind of financial resources the European Economic Community has.

● (1510)

Surely this is a time when the government of Canada should provide additional aid and comfort, not detract from what minimal support the "at and east" rates gave the milling industry of Canada. We know that it is the intention on the part of Maple Leaf Mills, a large multinational corporation owned in the United States, and Lever Bros. who are a subsidiary of Unilever of Belgium, another multinational corporation that brings us Lux toilet soap and so on, to build a mill and storage depot at Windsor, Ontario. This may be great for them but it will not be great for ports along Georgian Bay, or the ports of Halifax, Saint John, Montreal and Quebec City. It will not be great for the flour mill that the wheat producers own in Saskatoon. This effort to destroy the small benefit that our milling industry and grain producers get out of the transportation act is outrageous.

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

Some hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, I will be through very shortly and I thank my hon. friends for their kindness in allowing me to continue.

The Canadian Millers Association and its chairman, one Mr. J. F. Blakeney—no relation, by the way, to the premier of Saskatchewan—has also written to the minister expressing their distress at the government's announcement that the subsidy will be removed or abolished. In his letter to the minister he cites why they are distressed. I would have thought that the minister, this great friend of the Canadian farmer and of the producers of processed products from the grain industry, would have much greater concern as a western member of parliament than this. I do not see where they can arrive at any significant element of restraint in government spending by abolishing this kind of rate. The cost through lost export sales and the increase in unemployment will be much greater than the subsidy. Surely, this is some kind of backward economics.

I also want to suggest that the whole movement of grain by water through the St. Lawrence, with some attempt to increase the amount going through Vancouver, has been vital in the winter months for flour and for the movement of grain for milling purposes. While the Minister of Transport (Mr. Lang) and some of his people who support inland terminals might have visions of grandeur about unit trains, once they have tried them for that kind of distance for any length of time they will find that the costs are greater and will be greater than what the "at and east" rates cost the national treasury.

From whatever way you look at it, Mr. Speaker, this attempt at so-called restraint is not going to save money for the people of Canada. In fact, it will cost them more money than the cancellation of the rates would cost. Movement through the maritime ports and through several of the bay ports is very important. They have no extensive feed grain traffic. Traffic in grain for milling purposes and for flour is extremely important to them. There seems to be little disagreement with the predictions made by the millers association, of which all of us have received a copy, that rail rates will increase by roughly $18 a ton, an increase that they have been advised will likely mean the loss of their Cuban market, and thereby the loss of most of our remaining commercial market for export. This would affect mills from Saskatchewan to Halifax; and the producers will have lost a market for about 20 million bushels of wheat that the millers exported commercially last year.

Our customers seem to have little alternative, Mr. Speaker, and our millers seem to have little alternative. The Cubans insist on carrying flour on their own ships and refuse to pick up on the west coast. They cannot use unit trains, as the need for bagging flour precludes the bulk loading and unloading which is required to make the concept of a unit train viable. So unit trains for the movement of flour are going to be much more expensive.

The value of exports of mill products last year was $132 million, and 12 per cent of that was food aid. This government wants to remove the "at and east" rates, which relieved the cost of those products, some of which went for food aid, by as much as 82 cents per hundred pounds. It is difficult to know whether the removal of the subsidy would eliminate the movement of grain through the maritime ports. The rates for moving this grain already exceed the cost of shipping via Vancouver to Europe by over 20 cents a bushel. Removing the "at and east" rates just compounds that felony to the tune of 60 to 80 cents per hundred pounds.

The actual impact will depend on other developments. If the unit train is viable, then the current volume through the maritimes would continue and the producers would suffer no loss. But I doubt that they are going to be viable. Certainly, I do not believe they will be viable for the movement of flour. If unit trains do not work, then the current volume could continue, but at decreased return to the producers because the Wheat Board would have to absorb the increased rates.

If transport manages to clear up traffic snarls and jams at elevators on the Vancouver route, more winter shipments could go via Vancouver. But Vancouver is already congested and has all it can handle. It will be a while yet before any increased storage is in place at that port. In the meantime the government is prepared, in order to try and save a few million dollars which will not really be a saving, to victimize ports along Georgian Bay, the ports of Halifax, Quebec City, Saint John and Montreal, by placing in jeopardy the viability of what remaining Canadian owned flour mills we have, turning them over to the tender mercies of multinational corporations who are not interested in the welfare and good order of Canadian producers and Canadian millers. What appears to be a possible $11 million saving in so-called subsidies for grain and flour movement to Atlantic and eastern ports would in effect, mean a far greater cost to Canadian taxpayers, workers and farmers.

I repeat my opening remarks, Mr. Speaker. Our freight rate system must recognize our geography, our climate, where it is

our crops are raised and where our flour is milled. It must take that into account when we attempt to make sales in Europe, in central and southern America and in the Soviet Union. The only way we can do that is through a system of transportation rates that allows us to compete with other countries which are already subsidizing their flour milling industry to a great extent.

● (1520)

Mr. John Wise (Elgin): Mr. Speaker, although you know that quite frequently we in this party vary considerably in respect of party philosophy with our good friends sitting to our left, before I begin my remarks may I make the comment that what has been said by the hon. member for Regina-Lake Centre (Mr. Benjamin) in criticism of the government has been quite right. His comments with reference to this legislation, particularly in respect of Clause 15, the repeal of Section 272 of the Railway Act, are quite right as well. However, I wish to caution the hon. member that what he said concerning my colleague from Moose Jaw and the rest of my colleagues is quite wrong.

We on this side of the House, and indeed the Canadian public, have called upon the government time and time again to demonstrate by deed and action some restraint in government spending. The record clearly shows that this government talks about restraint, preaches restraint and expects the segments of our society to practise restraint, while in reality it continues to spend more and more itself. In other words, I am sure there would be unanimous agreement that this government does not practise what it preaches. The government tells people in all regions of the country to do as it says but not as it does.

In general this bill is a pretty good example of government window-dressing designed to make clear that it is spending less money when exactly the opposite is the case. The over-all effect of Bill C-19 will be of little or no significance. It brings into law certain measures already in practice and indicates other measures that are to be taken. Given the record of this government in the general area of belt tightening, one would be tempted to say it is losing the battle of the bulge. Is it any wonder people become skeptical about a government bill termed "the government expenditures restraint act"? The President of the Treasury Board (Mr. Andras) has indicated a reduction of $1.5 billion of expenditures would result from the passage of this bill. Given the past record of this government one is encouraged to say, as a result of these measures at least, that this simply will not happen. Upon review of this bill and in light of other planned programs, it is obvious that what will really take place is a reshuffling of dollars and a deferral of payments. Only time will reveal the exact savings if any, and I detect a distinct absence of optimism in the minds of many Canadians.

Usually it is difficult in respect of bills this type which cover a wide range of subjects to arrive at a position, be it for or against. This bill, however, contains one clause that resolves our difficulties in this regard. In fact, because of this particular clause and its rather surprising presence in this bill one is left with no choice but to oppose the entire piece of legislation. I must admit that I am genuinely surprised the government has not seen fit to eliminate Clause 15 which calls for the repeal of Section 272 of the Railway Act commonly referred to as the "at and east" rates.

On many previous occasions I have spoken in this House about the lack of concern this government has shown in respect of the agricultural industry. I have spoken about the lack of effective programs, the lack of government action to resolve pressing problems in the agricultural industry and the low priority given by this government to industry generally. Clause 15 is simply another glaring example of this government's attitude toward Canada's farm community. On the same subject one now continually hears the comment across this country that the influence of the Minister of Agriculture (Mr. Whelan) within cabinet has eroded to the point of insignificance. That has been obvious to us on this side of the House for months. The fact that the people in the industry now recognize this to be the case simply proves that although you can fool some of the people some of the time, there is no way that you can fool all of the people all of the time, especially when the people happen to be those involved in our agricultural industry.

I was glad to read in the speech of my colleague from Halifax-East Hants that he had reviewed the minister's performance before the standing committee on May 4, 1976. Certain aspects of the minister's statements concerning the removal of the "at and east" rates are very interesting and revealing. During that meeting both the chairman and the vice-chairman of the Canadian Livestock Feed Board, Dr. Perrault and Mr. Sonneveld, made it abundantly clear that if the clause was not withdrawn some very major problems would result.

Such action would compound the already hazardous situation with respect to available storage of feed grains for emergency purposes in the St. Lawrence region, particularly at the Montreal and Quebec City ports. I am certain that Quebec livestock feeders will not take kindly to any such measures and rightly so. It was made clear by the chairman that such a move would prove detrimental to the ports in the Georgian Bay area as well. The Minister of Agriculture also made interesting comments on that very subject. He stated in response to a question from my colleague from Red Deer that he was not in agreement with the measure and went on to indicate that he thought it was "absolutely nuts". I asked the minister if he would be supporting our motion requesting that this clause be withdrawn. The minister did not reply to that question directly but commented to the effect that I must have had a private detective watching his mail because I knew exactly what he was doing. This was May 4, 1976, six months ago, and was in relation to Bill C-87 which provided for the repeal of Section 272. Six months later Bill C-19 was introduced and Clause 15 reappeared.

The result of the representations of the Minister of Agriculture can now be determined as having been absolutely nil. He

has of course been swept aside before by such cabinet ministers as finance, industry, trade and commerce and now by transport. Because of the fact that Clause 15 reappears today in this bill we are led to believe, as my colleague from Qu'Appelle-Moose Mountain commented this morning, that we should not be surprised if in the not too distant future, given the track record of this government, a bill would be introduced calling for the repeal of the Crowsnest Pass rates. When the committee is considering this bill we will all look forward to the minister speaking in defence of the industry he supposedly represents. It is true that a program has been announced to assist Canada's 39 milling plants, down from 78 only 20 years ago. However, this program will not ease the situation of tight storage for feed grains in eastern Ontario and Quebec, nor will it resolve the problems of the inland elevators.

The Minister of Transport (Mr. Lang) and the Minister of Agriculture might suggest that additional storage be built for this purpose. That was promised at the time of the change in the feed grains policy last summer. That promise was not kept and no such additional storage space is in existence today nor is it likely to be for some time in the future. The addition of more storage space would in fact only alleviate some of the difficulties experienced by the St. Lawrence ports. Again, it would accomplish absolutely nothing toward solving the dilemma of the Georgian Bay region elevators.

This is not a minor issue as it might seem to be on the surface. It is a major and vital concern of a national nature. The eastern ports will be adversely affected if this subsidy is removed. I refer specifically to the ports of Halifax, St. John's, Montreal, Sorel, Trois-Rivières and Quebec. The western wheat farmers in all three prairie provinces as well as the wheat producers in my province of Ontario stand to be adversely affected if this ill-conceived legislation is allowed to pass. Canada, as a whole, stands to lose, not only because of the damage I have just mentioned, but because of the very real possibility of a loss of export sales due to the increased grain prices which will ultimately result if the transportation subsidy is removed.

● (1530)

At a time when export markets are increasingly hard to come by, the government has made a decision which will sharply worsen our already eroding position in export flour markets. I cannot understand how this decision can be of benefit to Canada, and I am certain that if a thorough cost-benefit analysis had been undertaken, this legislation would never have seen the light of day.

According to the Canadian National Millers Association, this piece of legislation represents proposed rail rate increases of $17.64 to $22.05 per metric ton on flour exports. This completely unexpected and ill-advised restraint measure will virtually guarantee the speedy demise of an already eroded export flour trade. This will ultimately result in increased costs to the government and subsequently to the economy of Canada.

The Minister of Agriculture (Mr. Whelan) has suggested that more and more countries are milling their own flour, thus implying that there may be decreasing demand for flour exports. This is certainly not the case at all, although if this subsidy is removed, there will undoubtedly follow a further decreasing demand for Canada's high prices flour exports. As it is now, only Canada and Australia have experienced substantial declines in this regard. The United States level has held fairly constant since 1954, while the European Common Market has expanded its exports over a ten year period from 15 million hundredweight to 64 million hundredweight.

As a matter of fact, some countries such as those in Africa and the West Indies have no flour milling capacity so that the only way our grain can enter those countries is in the form of flour. Contrary to what the minister may say, a world market still exists for flour and what we now have to decide is whether or not Canada is going to remain in a competitive position as an exporter to this market. As we are all aware, Russia has been purchasing a substantial amount of flour annually from Canada. However, each year's sale must be negotiated on an individual basis, and export business can only be maintained if Canadian wheat and flour prices remain competitive. The Canadian National Millers Association judge this situation to be critical and maintain that further business with Russia could be in serious jeopardy. A cost-benefit analysis would no doubt illustrate that savings made in eliminating the subsidy would be more than offset by the subsequent loss of export sales that would surely follow.

What about Canada's food aid program? A large proportion of flour exports, almost 12 per cent, is CIDA sponsored. If we assume that this international aid is to be continued, then we are dealing, in this instance, with a straight transfer of the extra costs from one departmental budget to another.

Another aspect of this legislation which must be seriously considered is the impending unemployment and hardship that must inevitably result if the subsidy is removed. There would be more plant closures in the milling industry, which worked at 76.8 per cent capacity in 1975, as well as more layoffs of the 3,000 persons directly engaged in the industry. Export flour is one commodity which generates significant employment for labour in eastern ports and a reduction in flour exports will have a telling impact on employment in an area in which unemployment already is far in excess of an acceptable level. Side effects such as unemployment and direct effects such as loss of revenue, would not come into play, of course, if Canada could maintain, rather I should say regain, its competitive position. What is needed, Mr. Speaker, are not measures to further erode that position, but measures to breathe new life into our sagging position as an exporting nation.

Canadian flour exports have been steadily declining for the past 20 years in spite of a growing pattern of world demand for this product. In 1954, Canadian millers were exporting over 20 million hundredweights of flour annually. By 1975, exports had dropped over 50 per cent to approximately 8½ million hundredweights. The commercial component of export flour sales alone, which totalled over 19 million hundredweights in

1954, amounted to less than 1½ million hundredweights. In 1975, during the same period, world demand for flour rose from 64½ million hundredweights to 95 million. In percentage terms, Canada's share of the world flour trade has declined from 31 per cent to 11 per cent.

The implementation of subsidy programs by many foreign governments, especially the U.S. and EEC countries combined with the lack of any similar assistance from the Canadian government, is the single most important factor that has led to the deterioration of Canada's position in the world flour trade. Virtually all other major flour exporting nations have recognized the need to support their milling industries and in recent years have moved to bolster export performance with a full range of subsidy programs.

In competition with American mills, Canada almost invariably has had higher seaboard costs. Even with the subsidy on the movement of export flour and the hold-down on flour rates, the comparative cost of American export flour remains below Canadian export prices. This government's proposed action will only serve to aggravate this competitive disadvantage as Canadian flour will be an additional $17.64 per metric ton out of line should the subsidy and the "hold-down" be eliminated. I am informed also that the elimination of the present subsidy could mean the loss to Canada of about $28 million annually in "value-added" processing activities, much of this in already economically depressed areas. I might add that this amount is not adjusted by conventional economical multiplier factors or it would be considerably higher.

As the milling industry is a purchaser of goods and services, the loss of the export flour trade will lead to corresponding declines in a number of complementary industries. These industries include manufacturers of bags, machinery and equipment, transportation services, dock labour and pilotage. Total expenditures in this regard have been estimated to approach $65 million a year. Here again, no conventional economic multipliers have been applied.

Some markets for grain can only be met by the export of flour. If Canadian flour cannot remain competitive, these grain sales will be lost. This is especially true of markets where there is no milling capacity as lost sales in these areas will not be exchanged for purchases of grain. Canadian millers are a major consumer of Canadian wheat, milling an average of 90 million bushels a year. This means, in effect, that Canadian millers process one entire wheat crop every five to six years.

So far, the bulk of attention has been focused on the unnecessary hardship that will be imposed on the western grain farmer and miller, and upon the port facilities of Quebec and the Maritimes. I would like, at this point, to add a few brief words about the potential damage this legislation will inflict upon the farmers, the inland terminal workers of Ontario, Ontario wheat producers, as well as the hardship it will cause on inland terminal workers, particularly in Ontario and the Georgian Bay region.

The Ontario wheat growers are going to be subject to reduced returns as a result of this legislation. In order to avoid lost sales through increasing the price, if indeed that can be done, the producer will be forced into picking up the tab in making up the difference in transportation costs. The Ontario wheat producers marketing board has made a strong protest to the government on this matter, a protest which apparently has fallen on deaf ears—or at least it might have fallen on ears attached to a head which has no influence on the federal cabinet. Inland terminals which stand to be adversely affected are located along Georgian Bay and Lake Huron and in such places as Prescott, Collingwood, Midland, Owen Sound, Sarnia, Port Colborne, Toronto and Kingston.

● (1540)

In conclusion, I ask the government to delete clause 15 from Bill C-19. It has been clearly illustrated that jobs, revenue and valuable export markets will be in serious jeopardy if this clause should become law. The amount of money which could be saved is extremely insignificant. The saving is not a worthy one when equated with these damaging results, particularly when there are so many other areas of federal spending which could be reduced without the harmful effects which will surely accompany the passage of this bill, particularly with respect to clause 15.

Mr. Paul E. McRae (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to have an opportunity to speak about Bill C-19, the restraint legislation. I do not think there is anyone sitting in this House who is not in favour of restraint. I think that is a universally accepted notion, but the question appears to be where we are to restrain ourselves. The guiding principle seems to be that we want restraint, but not restraint on anything affecting our own sphere. That is becoming a Canadian principle. We would like to see the other guy cut back, but not ourselves. That is a problem facing us all.

I have heard members of all three opposition parties talk about restraint. Particularly I have heard members of the Tory Party say that almost the only reason for inflation is high government spending. The hon. member for York-Simcoe (Mr. Stevens) talked about how he could cut literally billions from government spending, but I have not heard any concrete examples of how this could actually be done. Let us talk about a couple of examples in the last year.

An hon. Member: Talk about Otto Lang.

Mr. McRae: Let us talk about Bill C-68 of last winter. It actually took a whole year to get this bill through from the time it was introduced to the time it was completed. What did that bill do? It was to limit the increase in medical expenses to 13 per cent from the previous open-ended arrangement. We were saying that in the first year the provisions of that bill would be applicable we would allow an increase in medical spending of only 13 per cent; in the second year, 11 per cent, and in the third year, 9 per cent. At the same time inflation was being reduced to 6 per cent or 6.5 per cent. It was a reasonable proposition.

I understand the NDP because for years and years it has been saying that we should spend more money in some areas.

However, if we were to add up the cost of some of the programs they have proposed over the years, the results would be astronomical. There is, however, a humanity in that party in this respect. On the other hand, the Tory Party has been saying that we must restrain, cut spending in every way and leave things to the private sector. Yet both those parties took the same action and opposed the bill. A better way of putting it would be to say that they filibustered the bill. I think the Liberal Party and the government showed humanity with respect to that bill, but it was humanity with responsibility and that is the role a government must play.

Let us take a look at something a little more recent.

An hon. Member: Otto Lang.

Mr. McRae: There was a motion under Standing Order 43 moved the other day by a member of the NDP which had to do with pensions in the civil service. It had to do with widows' pensions or spouses' pensions, and one of the features of that motion was that spouses' pensions should eventually rise to 100 per cent of the pension of the two people in a given family. That would have amounted to a definite increase in the cost of the civil service and in the cost of civil service pensions. When the vote was taken, the party of restraint, the Tory Party, voted for that motion. They thought that the government should consider granting a pension of 100 per cent of the amount that it would be for both parties to the remaining spouse. Was that an act of restraint? It certainly was not.

Mr. Dick: How about Otto Lang? Is that an act of restraint?

An hon. Member: Order.

The Acting Speaker (Mr. Turner): Order, please. The Standing Orders provide that a member should be allowed to speak without interruption. I suggest that we listen.

Mr. McRae: I would prefer not to get into a long argument, but if we would like to compare—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, since there seems to have been an interruption for that purpose. It is also a rule that one cannot reflect on a vote taken in the same session. The hon. member can talk all he wants about what happened last session, but he cannot reflect on a vote which was taken in this session.

Mr. McRae: I can accept that statement. I would like to deal with the Minister of Transport (Mr. Lang) since some of this occurred in this session. Without getting into a long argument about individual trips—

Mr. Baker (Grenville-Carleton): Don't be too specific.

Mr. McRae: —in one case we voted for an item which would likely cost something in excess of $50 million, and in an other we are talking about a total government expenditure for a year of $3 million. There is a difference between $50 million to $100 million and $3 million, so without defending Mr. Lang—

Mr. Knowles (Winnipeg North Centre): Order.

Mr. McRae: —because I am sure he can defend himself extremely well—

Mr. Mazankowski: He is the Minister of Transport.

Mr. McRae: I am sorry. That is not the way he was referred to by hon. members.

The Acting Speaker (Mr. Turner): I suggest that the hon. member refer to all hon members in this House either by their title or by their riding.

Some hon. Members: Hear, hear!

Mr. McRae: I am sorry, Mr. Speaker. I got carried away because I heard the minister's name used often on the other side.

If we are looking for methods of restraint, we should be looking at how governments can restrain themselves. We must look at government spending in toto, the kinds of government spending and the amounts governments spend. Of the $42 billion, $43 billion or $44 billion this fiscal year, which will be the amount the government will likely spend, in round figures 30 per cent of that is used to operate the total government. It provides for the armed forces, the Post Office and all activities of the federal government. It provides all the services for which this government is responsible. Transfer payments account for the remaining 70 per cent. Where do these transfer payments, which amount to over $30 billion, go? Other levels of government receive 8.1 per cent in the form of the Canadian Assistance Plan, in the form of health and welfare payments and in the form of equalization. There is some feeling in the country that in terms of equalization this all goes to the province of Quebec which, of course, is not true.

Mr. Baker (Grenville-Carleton): Don't be silly.

Mr. McRae: Equalization payments go to seven of the ten provinces. On a percentage basis the Atlantic provinces get the most, and although Saskatchewan and Manitoba also receive some, they get the least.

• (1550)

The second item is payments to individuals totalling about $9 billion or 23.6 per cent of the total. This is paid in the form of Canada Pension Plan, Old Age Pensions, the Guaranteed Income Supplement and so on. One of the major factors contributing to increased government costs over the last three years has been the need to increase the amount of money going to individuals because of inflation in the economy. We have had to substantially increase old age pensions, widows' pensions, veterans' pensions and so on, and we have had to index them so that the people will have enough money to live on. To say that these are contributing factors to inflation is to say that old age pensioners, veterans and such people are causing

inflation. It was necessary to increase considerably the amounts of money in these areas. It was especially necessary to introduce the guaranteed income supplement to make sure these people had enough to sustain them in inflationary times. This is something a humane government does but it has to be done with some restraint and responsibility.

Another big area involving payments to people is family allowances. I have heard members of the opposition speak about cutting back but I have never heard anybody specify where they might cut back except in this one area. I have heard discussions about cutting back in the area of family allowances or paying family allowances on a needs basis.

The Acting Speaker (Mr. Turner): Order, please. The hon. member for Lanark-Renfrew-Carleton (Mr. Dick) on a point of order.

Mr. Dick: Mr. Speaker, I wonder if the hon. parliamentary secretary rather than just being vague would have the courtesy to be specific about where he has heard such a thing. I know it was our party that proposed indexing.

The Acting Speaker (Mr. Turner): Order, please. That is not a point of order; that is a question.

Mr. Dick: Will he answer the question? He cannot.

Mr. McRae: No, I cannot place the names.

An hon. Member: It was the hon. member for Comox-Alberni (Mr. Anderson), one of your own.

Mr. McRae: Mr. Speaker, I shall look up some references I have.

Mr. Baker (Grenville-Carleton): Mr. Speaker, a point of order. I am sure it is well within the rules of the House to inform a colleague. For his information, the member who indicated the position that he has just accused us of taking, quite wrongfully, was the hon. member for Comox-Alberni (Mr. Anderson), his colleague.

Mr. Knowles (Winnipeg North Centre): Yesterday.

Mr. McRae: Mr. Speaker, I would be pleased to look at my references. I believe I can furnish the information about the reference to paying family allowances on some kind of needs basis or changing them so that they only go to those who need them. I will say in this I am referring to the Tory opposition, not the NDP, because we can be sure where there is money to be spent they want to spend even more.

To continue, if we are to cut government spending in a big way then it has to be in some of these areas. The next area is subsidies. In this fiscal year the federal government paid out something in the neighbourhood of $2.2 billion; close to 6 per cent of the total federal budget goes to subsidies. When I refer to subsidies, Mr. Speaker, I am talking about subsidies to all groups and not just to Crown corporations because they are dealt with in another clause of the bill. We are talking about subsidies to do some of the things that many members of this House feel must be done.

I was not happy to hear the Minister of Transport (Mr. Lang) suggest that we be concerned about subsidies in terms of the user-pay concept. I am afraid I do not agree with that concept because Canada has been built on the opposite concept. In some way this has to be a nation which shares. The user-pay concept might not work and I have a great deal of difficulty with it. I therefore have difficulty in criticizing most of the subsidies as the whole country is based on developing some equality between all regions. In my opinion, user-pay is an unethical concept.

To move on to some other items, Mr. Speaker, $4.6 billion or 12.1 per cent of federal spending is for Crown corporations. In this area we have had a hard fight in the last two or three years to get an organization like Petro-Canada, a Crown corporation, to do something for Canadians in the field of petroleum. I feel that Petro-Canada, Panarctic, Canadian National Railways, Air Canada and so on are Crown corporations which should be supported with subsidies or some kind of funding. These transfer items make up 70 per cent of the total federal budget. The last item is the national debt which takes $4.6 billion or 12 per cent of the total federal budget. No one would suggest we could cut very much there. As a matter of fact, the increasing expenditures there stem mostly from the fact that inflation has caused increases in interest rates and therefore government expenditures have increased.

Mr. Speaker, I do not believe that government spending is the only, or even the most important, cause of inflation. I think a good deal of government spending is inflationary but the vast majority of increases in government spending have been as a result of inflation. They may contribute but because of inflation they have been necessary. If we look at inflation in the year 1973-74 we find we are talking about world inflation caused basically by an excess of demand over supply. The demand seen in 1973-74 was extremely heavy. That is why I think the Tory Party was wrong in the spring of 1974 and the election of 1974 in saying they would bring in controls—although I admit a change was occurring. At that particular time, we were trying to control something which was caused by an excess of demand and a shortage of supply. Controls at that point probably would have made the situation considerably worse.

● (1600)

However, there was a distinct change between the spring and summer of 1974 and the fall of 1975, and this is the key to the matter. During the summer of 1974 one could still say that inflation was caused by excessive demand. As the Prime Minister (Mr. Trudeau) said in the throne speech debate of the fall of 1974, wages were not a major contributing factor to inflation at that point. Nevertheless, between October, 1974, and October, 1975, wage settlements averaged 21.8 per cent, or more than double the size of average wage settlements in the United States. Therefore, in the fall of 1975 we faced some serious wage demands.

Mr. Brisco: There was pressure from the people.

Mr. McRae: We faced the sort of demands we had not faced earlier. For example, the postal workers were asking for 71 per cent more, certain teacher groups 40 per cent and more, and so it went. In the summer and fall of 1975 we faced a great many unreasonable demands on the economy. In the spring of 1975 we asked the labour movement and the business community to restrain their demands voluntarily. Unfortunately, our endeavour did not succeed, so that by the fall of 1975 we faced cost-push inflation and had to deal with it. It then became necessary to introduce controls.

Without question, in the little more than one year which has elapsed since October, 1975, we have contained inflation. The inflation rate for the period October, 1975, to October, 1976, was about 6.2 per cent, as compared with 10.6 per cent for the period October, 1974, to October, 1975. Clearly, the inflation rate has declined substantially. True, many factors are responsible for the decline, but controls are a major factor. At the same time, wage rate increases which were running at slightly under 22 per cent in the first half of 1975 declined one year later to around 11 per cent. Clearly, since wage increases average about 11 per cent and inflation about 6.2 per cent, even if one does not allow for some productivity gains one can say that the workingman and the average Canadian is now basically better off—and this improvement can be largely attributed to controls.

Those who say we are controlling only wages but not profits I say are mistaken. It is not true. In real dollars, profits declined in the order of 7 per cent in the past year. We have considered wages and squeezed profits in our attempt to cut back the rate of inflation. Although some may claim they have been dealt with unjustly, generally speaking Canadians have benefited from this government's anti-inflation program. Therefore, it can be said that the government's anti-inflation program has reduced inflation.

Other cost factors have yet to make themselves felt and we shall need to control them if we are to keep inflation under control. This coming winter we face the alarming prospect of more than 7 per cent of our work force being jobless. We shall need to create jobs. This will involve government spending which in turn will create inflationary pressures.

Other capital programs which will arise in future will create distortions in our economy. Specifically I am thinking of the $180 billion in capital which it is projected we shall need during the next 15 years to develop energy. That sum, on a reasonably amortized basis, works out at something over $3,000 per family per year in this country in terms of present-day dollars. Such expenditures could well create tremendous inflationary pressures.

I think it is well to remember what has happened with respect to the James Bay project. When I was first elected to this House it was said that the James Bay project would cost between $3 billion and $4 billion. Now one hears that the project will cost between $15 b illion and $16 billion. One can see the effects of inflation—and such costs are quoted in present-day dollars. I think the Liberal government of Quebec was defeated in the recent election partly because the enormous cost of the project was distorting the economy of Quebec. The project was creating tremendous expectations in Quebec, expectations which were inflationary.

Therefore, when we consider that we shall need to spend $180 billion over 15 years for energy development, it is clear that we shall see many distortions in the Canadian economy. If we are to avoid such distortions, we must consider a reduced use of energy, and energy conservation. Only if we cut back on energy demands will we survive unscathed. But that is another story. As I say, the $180 billion we shall spend on capital needs over a 15-year period will create tremendous inflationary pressures in our economy. This means that we shall not be able to do many of the things we want to do and we shall need to change many of our ways.

Let me repeat my point. Although we can solve some of our difficulties with a certain amount of restraint, there are real limits to the amount of restraint we can tolerate without totally distorting the economy. As I said, 70 per cent of the federal budget is spent on various kinds of transfer payments; only 30 per cent is spent on the operation of the government. Therefore, if there is to be restraint in spending, it will have to come in the area of transfer payments and I do not believe we can cut spending in those areas without substantially hurting the Canadian public. In future we shall face continuous inflationary pressures, particularly from capital spending for energy development. Consequently, I foresee a long-term need for a government anti-inflation program. We must restrain the demand of both the private and public sectors on our resources. As a nation, we must all restrain our demands.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if the hon. member who just sat down believes what he said—and I think he is sincere and usually believes what he says—one can only say that the government operates on the basis that it can fool some of the people most of the time, and fool its own backbenchers all of the time.

Mr. Dionne (Northumberland-Miramichi): And the opposition tries to fool all the people all of the time.

Mr. Baldwin: This bill seeks to amend or repeal certain statutes to enable restraint of government expenditures. Its short title is "government expenditures restraint act". The operative words in the full title are "restraint of government expenditures." I agree with the objective, intention and reasons of the bill. Inflation is the number one problem in this country and in other parts of the world. The government has not done a great deal about it and is not doing very much with it in this bill. This is cosmetic legislation designed to deceive, delude and fool people.

● (1610)

Let us talk a little about inflation. That is what the hon. member was doing. To a large extent, inflation is a question of psychology. It was obviously with that in mind that this government, little more than a year ago, produced the anti-

inflation program and the legislation on which it was based. The government had fought an election 14 months before, challenging and denying the validity of the proposals advanced by this party and other people in Canada. A short time before October 13, 1975, the government said it was categorically opposed to controls and had no intention of introducing them. That is the most certain reason the program was doomed to failure.

It is psychology upon which inflation feeds itself. I do not think there is any doubt about that. People have a very understandable desire to protect themselves from the storms of increasing prices, from the danger of prices of goods and commodities being increased. They want to protect themselves to ensure they have adequate savings against that sort of situation. When they demand increases either in wages or in the price of the commodities they sell, they not only make allowance for the current year but the next year as well. The cumulative effect is the reason for inflation.

On October 13 and 14, 1975, the Prime Minister (Mr. Trudeau) solemnly announced to the people of Canada that he was going to bring about the end of inflation. He stated that we were to have controls, and explained the way they were going to work. If at that time there were some fairly well indexed and buttressed reasons for the government's position, that might have been a saleable proposition. However, the people of Canada do not believe this Prime Minister; they do not believe this government, a government with a record of deception, slyness and an incapacity to tell the truth about situations dealing with inflation. They are just not believable.

When the anti-inflation program was announced and the legislation brought down, the people shrugged their shoulders and turned away from it. The psychological aspect which should have been the standard core of the program was eliminated from the beginning. When over the years a government practices organized deception, it is not easy to persuade the public that they have changed their attitude. That is one of the reasons a provincial government was defeated yesterday.

The hon. member asked us to believe that this government is taking logical, reasonable and believable steps at this time to deal with the program which will bring about a cessation or diminution of inflation. He stated that Bill C-19 is a vehicle designed to achieve that effect. He cannot expect the public of Canada to buy that kind of proposition.

There are ways in which it can be done. It will not be easy. The public has become cynical. People do not accept the word of government at this stage. They have been told on many occasions, over many years, by the Prime Minister and by successive Ministers of Finance that inflation is beaten. That is almost like a cease-fire in Lebanon which seems to happen every two or three days. Therefore, the public do not believe this government when it tells that story. It would not be impossible for this government, if it were really determined, to deal with the question of inflation by trying to create in the minds of people an honest and sincere belief that they are going to exercise restraint in government expenditures.

[Mr. Baldwin.]

The hon. member spoke about James Bay. I am glad he did. It reminded me of a statement which I made not very long ago and which I will again call to the attention of the House. Practically all the programs initiated by governments in Canada over the past 20 or 25 years, with one or two exceptions, have more than exceeded their estimated cost. When these programs are brought down, whether they involve construction expenditures or are social benefit programs, some indication is given as to what the cost is likely to be. On every occasion, with one or two exceptions, that estimate has been exceeded. I do not know whether the estimate was made falsely, with gross negligence, from ignorance, or outright lying: that, I cannot tell. I could list the programs but I do not have the time. However, in each and every case they have more than exceeded, by a substantial amount, the original cost. When you pile these programs one on top of another, it becomes the basis of inflation which has racked this country and other countries of the world. The belief that you can have guns and butter was one of the reasons that led the Germans into the last war, thinking they could finance an operation of that kind.

When these programs are finally brought to fruition the costs are infinitely increased. Add them together and you find you need more taxation to pay for them. Taxation means that the people providing the goods and services in this country have to charge more. That creates inflation. That is not a bad situation for the wealthy or the powerful unions which have the capacity of obtaining higher wages or better prices for commodities. However, for the old, the infirm or those on small, fixed wages it becomes an impossible situation. There is no question about it; we are going to be faced with this problem until a government of this country comes to grips with the question of restraint.

I want to suggest to the government one or two things they can do if they are sincere. They can tell the public the truth about what it costs to operate this country. It is impossible for even an intelligent person to examine the blue book on estimates and come up with any firm knowledge about what is intended. Over the last eight or nine years the number of votes in the estimates has increased. The language has become unintelligible. There are a great many $1 items which provide for the expenditure of money by order in council or regulation about which we never get to find the facts.

● (1620)

There has been foisted upon the taxpayers of this country a system by which moneys are taken out of their pockets in connection with estimates which in many cases we are unable to examine with any degree of clarity. Even if the estimates have been extended and made intelligible to us, there is no system available to parliament for conducting a reasonable examination of them to determine whether they involve the expenditure of money in which the country should be engaged. There is no system at all. There is a fixed calendar date on which estimates are deemed to have been passed. The main purpose of parliament, which is to refuse to grant supply until all grievances have been ventilated, has gone by the board. If

this government wants to persuade the people of Canada that it finally wishes to exercise restraint, it will take the initiative by providing ways and means by which control can be exercised. My hon. friend from Vegreville (Mr. Mazankowski) has been questioning members of the treasury bench for some time with these things in mind. The reaction has not been very favourable, and if the reaction to my proposals is the same as it has been to his questions, I do not think much notice will be taken of them.

There is one other suggestion I would make. It is that we find some means whereby, when the government is introducing legislation or planning programs of any kind, it is compelled to make known to the House precisely what expenditure is involved. If the government reintroduces, for example, a bill varying the unemployment insurance benefits, or dealing with immigration, no such legislation should be considered unless it contains a clause setting out the probable cost. Such open disclosure would have a salutary, wholesome effect in restraining government expenditure.

We forget, now, how much we were told 25 years ago what the St. Lawrence Seaway would cost. Were we ever told the probable cost of the medical and hospital insurance schemes, both of them intrinsically useful proposals? We were never told the truth about what they would cost. It might well be that had we known what those costs would be, restraints would have been placed upon the degree to which they were implemented. It is this failure on the part of the government to be honest and truthful in connection with public expenditure which has made the public so unwilling to accept half-measures such as those now before us.

I submit that my proposition makes sense. If you or I, Mr. Speaker, decide to write a letter to one of our constituents, we know that such a letter might very well be published and we are careful to state the facts as they are. I feel the government should be compelled to follow a similar course when it comes to legislation and new projects. Take, for example, Bill C-20, the next bill on the order paper, the bill concerning the Auditor General. This is a bill of which I am very much in favour and it is one to which a price-tag could be attached. It is my strong belief that in order to persuade the public that the government means what it says, more truth must be conveyed to them with regard to programs of expenditure.

I offer those two suggestions to government and government members and, in conclusion, I say to them that if Bill C-19 is the only answer the government has to the refusal of the public to accept its sincerity when it comes to the question of restraint in government spending, they have lost the case before it has even come to court.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to make a brief comment on the complaint of my hon. friend from Peace River (Mr. Baldwin) that government estimates are not spelled out clearly. This is a matter which has been of concern to me since my arrival in this House four years ago. I have often wondered why the government did not issue a true budget. Maybe it should be 50, 60 or 70 pages long, with the various programs, the number of man-years in each program, the number of personnel and the expenditure set out so that people could scrutinize closely each department and what they proposed to spend—much as they would do in the case of a corporation budget or even a family budget—so they might know what was planned. Then if more than was necessary was spent, they could zero in and find out exactly why that program was over budget. Indeed, if a program did not make use of all the funds allotted to it, the funds for the program could be trimmed in future years to what was actually needed. I have often felt this would not only help members of parliament in their scrutiny of government affairs, but would clear away secrecy by putting the figures in the books in an intelligible form so that most members of parliament would understand them in addition to the public.

Today we are discussing Bill C-19 which is part of the government's program of restraint. The government decided, on the day before Thanksgiving last year, 1975, that they had bungled the job, that they were going to swallow themselves and reverse their former position, introduce controls and at the same time exercise restraint in government spending. This bill is laughable if it is really going to deal with government restraint. It is a bill which is going to wipe out some provisions which cost some money, but it does not go to the core of the problem. The core of the problem is that the government embarks on programs and does not reassess older programs to see whether they should be continued or, in fact, discontinued. Last year we heard the government was going to cut out the CYC, the Opportunities for Youth program and cut down the LIP program. Then, of course, we heard in the Speech from the Throne and through the Minister of Manpower that they were going to introduce new programs which virtually would pick up the slack which they had originally cut out a year before in their so-called restraint program.

There is one aspect of this bill which greatly concerns me. I think it is a phony issue which the government has included in its restraint package. That is something that is false and misleading. The fact is that the government, through the Minister of Finance (Mr. Macdonald), has stated on previous occasions that one of the best ways of increasing industrial productivity is to encourage development of high technology and innovative new processes. At that time the Minister of Finance went on to say that this was a high-risk business and a difficult one into which to attract venture capital. However, the minister promised to look at the problem and to do so on a priority basis, whatever that might mean. I suppose that means whenever a new government is formed to take over from the tired bones that are presently on the treasury benches.

● (1630)

Clause 10 of the bill would wipe out the Industrial Research and Development Incentives Act. This seems, to me, to be a retrograde step. On March 10 of this year the Department of Industry, Trade and Commerce announced that after providing more than $220 million in research and development funds to some 3,000 Canadian companies during the last nine years, the Industrial Research and Development Incentives Act, known as IRDIA, would come to an end this year. The fact is

that the government is announcing it is going to wipe out the Industrial Research and Development Incentives Act, and this after the Minister of Finance has stated that the way to increase industrial productivity is to encourage the development of high technology and innovative new processes. So it seems that the government are speaking out of both sides of their mouth at the same time. I say clause 10 is a very retrograde step.

It strikes me that over the last nine years many industries in this country, especially those involved in the technological area of computers and new electronic hardware which is so commonly used, have taken advantage of this kind of government support to improve their products and to make themselves more competitive in markets throughout Canada and overseas. We have heard that the government is going to replace the Industrial Research and Development Incentives Act with some other new legislation. But what, Mr. Speaker? The government has not had the guts to tell the House with what they are going to replace this legislation. The government is so secretive that it does not want to tell the Canadian people how it is going to increase technology, research and development in this country by some new legislation or through some new proposals. By passing this bill the government wants us to wipe out the existing support that is provided, and leave us in the dark as to what new programs it has in this very important area.

Is this because the government is in the habit of being so secretive about all its programs? Is this because the government really does not have a program with which to replace the Industrial Research and Development Incentives Act? Or is the program such that the government is afraid to let the Canadian people scrutinize it to see whether it is as good as the one the government wants to do away with? I believe the government is afraid of scrutiny. Perhaps it is going to wait until the next budget or till some other time when it will try to introduce a program and have it shoved through parliament in short order without thorough examination. That program may not be as beneficial to Canadian industry and to the Canadian economy as the present program.

At the present time we are approaching an unemployment level in Canada of 8 per cent, and will probably be at this level next May. We have this level because industry is not producing at capacity or anything like capacity, and because the economy is on a downturn. I would say that both of these unfortunate situations are to a large extent the result of the ineptitude of the present government in handling the economy by putting the country first rather than wanting to do the best for all its citizens.

Instead, Mr. Speaker, the government has from time to time taken a rather partisan view and has put the Liberal party before the country. They have taken a number of politically expedient steps, such as swallowing themselves on the anti-inflation measures when only a year before they had been saying they would not want to freeze prices at high levels and freeze wages at low levels. They said the leader of the Conservative party had advocated this during the campaign, and that they had counter-attacked.

During the 1974 campaign the Liberal party used the advertising gimmick of showing a picture of the hon. member for Halifax (Mr. Stanfield) pushing an ice cream cooler around and saying, "They are going to freeze your wages at a low level, and zap!". That is the kind of "intelligent" comment that the Prime Minister uses all the time. Perhaps this is what happens with governments which are corrupt, which are bungling and which are feeding upon themselves for their own political purposes. Then, finally, the populace wakes up and throws them out for whatever alternative is available, in the hope that they will get truthful and open government.

As I say, Mr. Speaker, the government had to swallow itself. Having denounced one program, a year later it introduced that which was denounced. This government is afraid to come clean with the Canadian people as to where it intends to go. This government has created a climate in which business and free enterprise are not willing to expand. This government has created a climate in which people are not investing in the expansion of existing facilities or in new facilities. People in Canada and outside Canada who might be interested in investing in this country are reluctant to expand the manufacturing capacity of the Canadian economy.

Instead, Mr. Speaker, more and more we are finding manufacturing concerns which might have expanded in Canada going south of the border or to other countries where the economic environment is better for them. Indeed, it appears that a subsidiary of Northern Telecom, a company that used to be called Bell Northern and which is 66 per cent owned by Bell Canada, the mother of all Canadian telecommunications firms and which we liked to think of as "Mother Bell", a great Canadian enterprise, is opening a plant in California which will employ 12,000 people. Why is it that those jobs are not here in Canada? We have many more Northern Telecom plants in Canada, but this new facility is going to California, their having phased-out their microsystems plant in this country.

It seems, Mr. Speaker, the reason is that they cannot get the productivity they require. They cannot have the wage rates that are necessary in this country to be competitive in world markets, and the environment, created largely by this government, has not been of a sufficiently strong nature to encourage business. I believe that business and manufacturing are important to this country. If Canada is to grow and to prosper, we will need jobs so our people can be employed. Canada cannot afford 8 per cent unemployment. Canada cannot afford to have a situation where 46.7 per cent of the 780,000 people who are unemployed today are the youth of this country between the ages of 16 and 24. They represent almost 50 per cent of the unemployed people in this country.

● (1640)

The youth with whom I have spoken are not interested in grants such as through the LIP program, OFY or the suggestion that they be quiet this year and see what will be done next

year. They are interested in a growing economy, an expanding economy which will produce jobs so there will be a place where they can go to obtain a job with a future, security and opportunities for advancement. They want a worth-while form of employment rather than a make-work project. But this government continually falls back on these make-work projects because it has not created the climate for business and enterprise in this country. Indeed, the businesses and enterprises which might have expanded have postponed their expansion until the climate improves. As I have indicated, one can talk to many businessmen or people in the financial sector who will indicate that many businesses have decided to carry on their expansion outside Canada, perhaps in the United States, in the Caribbean, in Malaysia or in Ireland where there are tax-free zones. They certainly are not doing it here.

If we are to prosper and retain a high standard of living, Canada needs a manufacturing industry with high technology which is competitive in the world. What do we have? We have a government which would wipe out one of the only important programs we have, the Industrial Research and Development Incentives Act. We read comments in the press to the effect that Canada is stumbling along without a science policy, that Canada's science policy is headed for disaster and that the government has only played with a science policy. A former Liberal member in this House, now Senator Maurice Lamontagne, headed a royal commission in respect of a science policy for Canada. Yet this government is not doing anything about this.

At that time the minister indicated that he believed Canada needed an investment in science and technology. The Senate Special Committee on Science Policy, under the chairmanship of Senator Maurice Lamontagne, made an exhaustive study of Canada's research and development efforts with respect to this country's economic needs and issued a three-volume report entitled "A Science Policy for Canada". The third volume recommended that Canada should steadily increase its support of research and development, such as through the Industrial Research and Development Incentives Act, I may suggest.

As I was saying, the third volume recommended that Canada should steadily increase its support of research and development and achieve by 1980—only 3½ years from now—2.5 per cent of our gross national product. It indicated that a corresponding increase should have been made for support of basic research, scientific research in our universities and other research institutions. A recent Statistics Canada survey of leading performers shows that the in-house research and development expenditures, as a percentage of the gross national product, declined in terms of current dollars to about .37 per cent in 1973 from .44 per cent in 1967.

Although the government set up the Senate Special Committee on Science Policy under Liberal Senator Maurice Lamontagne, a former cabinet minister in the Pearson days, to look at a science policy, as recently as 1973 our contribution has been declining to a point where it is .37 per cent of the gross national product. Again may I suggest that .37 per cent is a long way from the figure of 2.5 per cent which, as has been indicated, is what we need if we are to be a technologically-based industrial nation.

Because we do not have our manufacturing on a proper base, Canada ends up selling more resources. We say we will mine a little more of our natural resources and send them abroad in the unprocessed form. We say that we will cut more of the trees in our forests and send them abroad in the unprocessed state. We say that we will take whatever we can for our wheat crops and send them abroad. This country has not advanced in the way of becoming a nation truly based on an industrial technology. Instead, the government takes the retrograde step of cutting out one of the acts which is most beneficial.

Earlier I heard the parliamentary secretary from Fort William indicate that this bill is a step toward cutting out excess government expenditures, that it is a restraint measure. He said that no one has suggested ways in which the government could cut down on its spending. Of course, I was so bold as to interrupt him at that point and suggest that perhaps the government could cut down its spending by disallowing the Minister of Transport (Mr. Lang) to spend $750,000 flying around in his private jet. He did not like that. I doubt that the head of any other corporation in this country spends so much money on his personal travel habits.

On many occasions members of this party have pointed out that we do not believe the government needs to spend $1 billion a year on consultants. Why does the government hire consultants all the time? Is it because the expertise is not available in the public service? Of course not. Our public service is filled with competent, able people who want to do a good job. They have the competence to analyse and to make studies and projections in respect of projects which are to go ahead; but instead the government goes outside and hires private consultants in the belief that in that way it can get off the hook. If the government follows the recommendations of the consultants, and the advice should turn out to be bad, then it can say that it followed the advice of the private consultants.

The fact is that the government is spending the money twice, because it already has the expertise. We do not think Canada needs to spend $1 billion a year on outside consultants when we have competent civil servants who want to do a good, thorough job. The minister mentioned Petro-Can. I believe our party advised the government that it did not need to spend money setting up its own private Crown corporation. We felt that the private sector could perhaps do a better job than Petro-Can.

• (1650)

Of course, the minister talked about PanArctic. He felt that Canadians had a good investment in PanArctic but, again, it required the government to put out money. It also required the government to put out a great deal of money to set up the Canadian Development Corporation. Perhaps the government should reassess its priorities rather than delving into the private sector. Perhaps the government should spend its money on running the affairs of the country rather than dabbling in

areas in which it will probably not do nearly as well as the private sector is doing.

Of course, the government may be able to achieve some restraint in DREE. I happen to come from a constituency a large part of which was especially designated for a number of years under DREE and now, under the Regional Development Incentives Act, is eligible for DREE grants. But the strange thing is that of the 16 or so companies that received DREE grants in my constituency, over 50 per cent have gone bankrupt. I am not sure that the successful ones really needed government money to make the investment, such as Union Carbide, that small international firm, Chase Nuclear, Noranda Metals—all very small firms. They are the ones which received DREE grants and which are successful in my area, but the other firms went bankrupt. Of course, the promoter did not lose his shirt, but he did not advance much money, anyhow, when he tried to follow on a government grant.

That is what is going on in DREE. The first DREE grant that was made in New Brunswick went to the McCain food people who, of course, were the people in New Brunswick who supported the present Prime Minister (Mr. Trudeau) when he was running for leadership. I am sure there was no pork-barrelling done in that situation. It is just that my eyes keep deceiving me when I see these big firms getting the money, and I wonder why they always support the Liberal party.

Perhaps there should be some cuts in the DREE area. Perhaps the government should reassess itself. We now have 32 cabinet ministers, the largest number of cabinet ministers we have had at any time since confederation. Is the government more complicated, or do they just need more idiots to do the bungling job they are doing? A lot of them do not appear to have any responsibility. I understand that there is one minister without portfolio whose only responsibility is to be the whip of the party, and that was his position before he was appointed minister. I do not know whether he has any other responsibilities in the House, but perhaps they will think of something in the near future. I wonder if he gets double salary!

What the government needs to do is put forth what they have in the way of policy to replace the Industrial Research and Development Incentives Act. I think they should tell the people what they can expect from the government before they wipe out what was in the past. If you are on an island, you want to build a bridge in front of you before you cut down the bridge behind you and isolate yourself.

As I indicated earlier, Senator Lamontagne, in his report, indicated that Canada had to make a sizeable investment in science and technology so as to maintain our standard of living and build a good industrial base for our society. Perhaps I should also say that the Organization of Economic Co-operation and Development indicated that of the 12 most prosperous countries in the world which it had surveyed and which were spending various percentages of their gross national product on research and development, Canada stood tenth. There were nine other countries ahead of us, namely, the United States, France, the United Kingdom, Sweden, Germany, the Netherlands, Belgium, Japan and Norway. So we end up with those who really believe in making the investment, but, oddly enough, among those countries are a number of countries which happen to be ahead of us in their standard of living.

In saying that Canada is tenth in line and that we are flying by the seat of our pants, I am trying to express concern about the small amount of money that the Canadian government has encouraged should be spent on research and development. In order to show the concern that many people in this country have had about this, I should like to read an extract from a letter written to me by a constituent, a small company which started a year and a half ago with four founders and which has now grown to the extent of employing 19 people. In its second full year of operation it appears that this company will have a capital of half a million dollars. Perhaps I can sum up by indicating that it got its start because it had $19,000 in the form of an industrial research and development grant and is now employing 19 people rather than four. I believe this is the type of program which business needs in this country.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—Central Mortgage and Housing Corporation—Allegation borrowers asked to use lawyers selected by corporation; the hon. member for Medicine Hat (Mr. Hargrave)—Agriculture—Request for assurance beef quotas applicable only to meat in transit to Canada on October 17; the hon. member for Cape Breton-East Richmond (Mr. Hogan)—Energy—Reason for failure to subsidize cost of electricity in Atlantic region.

[*English*]

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

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT TO PROVIDE FOR THE USE OF HUMANE TRAPS FOR ANIMALS

Mr. Deputy Speaker: Item No. 1, in the name of the hon. member for Lotbinière (Mr. Fortin)?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand at the request of the government. Item No. 3, in the name of the hon. member for Capilano (Mr. Huntington)?

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand at the request of the government. Item No. 7, in the name of the hon. member for Scarborough West (Mr. Martin).

Some hon. Members: Stand.

Mr. Deputy Speaker: Stand at the request of the government.

Mr. Donald W. Munro (Esquimalt-Saanich) moved that Bill C-208, to amend the Criminal Code (humane traps) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

● (1700)

He said: Mr. Speaker, in rising at second reading of this bill I want to make it clear that I have no intention of speaking at great length, and I also want to express my appreciation to those hon. members from all sides of the House who have indicated their support for this bill.

There is support for this bill from hon. members on both sides of the House and among citizens of the country, and from associations such as the Association for the Protection of Furbearing Animals. I have also received petitions from a number of parts of the country. For example, I have a petition from Nepean High School here in Ottawa signed by a number of students. There is also a petition from Kingston, Ontario, signed by 1,586 members of the Humane Society of Kingston.

My desire to be brief is motivated by the hope that others will also speak briefly in support of this measure and that before six o'clock we can vote to have it referred to a committee, or at least to have its subject matter referred to a committee.

This bill is designed to meet a variety of Canadian demands. There is a general demand for a device which will trap animals in a manner which does not cause them agony and suffering nor cause them to die of starvation, bloodletting, or as victims of predators. Second, the demand is for a device which will enable those whose livelihood depends on furs to continue their trade in the knowledge that they have not been the cause of agony and suffering nor of condemning living creatures to die of starvation, suffering, or as victims of predators.

I want to make it very clear at the outset that it is not my intention to destroy the trapping industry or to interfere with it in any way. I know Canadian history and the role trapping has played therein. We need to apply modern technology to this long standing Canadian enterprise.

There is a third demand which I am hoping to meet, and that is the demand of Canadian trappers for a device which will give them a good pelt and not a damaged one.

Of the traps in use today, the most common are the leg-hold and the wire snare. These do not serve the purposes nor meet the demands I have already recorded. Both these devices produce results such as those this bill is trying to avoid: agony, suffering, starvation, victimization and, frequently, damaged pelts.

How, then, do I propose to meet these demands and replace these vicious instruments with better ones? The bill seeks to encourage the development of alternative trapping devices. The simple purport of this bill is to develop alternative trapping devices which can be rated by the Minister of State (Fisheries) and the Environment (Mr. LeBlanc) as preferable to the ones now in use. Once these alternative devices are available—and it may be a different device for each size or kind of animal—the existing devices will be banned, whether they be leg-hold traps, snares, or any other type of trap which inflicts cruel and unusual punishment on furbearing animals. By banning, this bill stipulates that the very setting of such a device causing unnecessary cruelty, when a better device is available, is a criminal offence and punishable accordingly. It also stipulates that the manufacture, import or sale of the less desirable device is likewise a criminal offence and therefore also punishable accordingly.

One is bound to ask how such devices are to be developed and brought to the attention, first, of the ministry for testing and approval, and subsequently, to the attention of the trade and the industry?

In September, 1973, a federal-provincial committee on humane trapping was established to test and develop better trapping devices. This committee was set up and funded by the ten provinces, the federal government and the two territories. It has had at its disposal something like $75,000 per year for a five year program, but only 30 per cent of that allocation goes toward trap development. Most of the remainder, unfortunately, goes toward administrative costs. It does seem to be underfunded. In the first two years of its existence no funds whatever were allocated for trap testing. To the best of my knowledge some 100 traps have been submitted to the committee, but less than ten devices in the short time following those two years have been found worthy of further tests. Therefore halfway through its term the committee offers very little hope of real achievement, judging by its performance so far.

We are bound to ask ourselves whether the committee is under-funded or whether it is well administered. We do not

know. I think this bill and this reference to a committee will offer us an opportunity to find out.

I should therefore like the bill or its intent to be referred to a committee where we can summon spokesmen of this federal-provincial group and secure from them an accounting of their activities. We should also be able to have interested organizations appear before the committee and give evidence and advice.

It seems to me that this federal-provincial committee ought to be providing, in addition to its other services, incentive grants for invention, as well as testing devices already on the drawing boards. One of the traps tested by the committee was invented, I am told, without financial support from the committee by an elderly experienced trapper who, for lack of funds, was obliged to scavenge the material for his working model from junk yards and secondhand shops. This enterprise ought to have been assisted and encouraged. The inventor ought at least to have been recompensed for his input.

Another way of getting things done and of getting proper devices developed would be for the committee to offer inducements to private and public research communities to inquire more closely into this important activity. There are people who rely on it for their livelihood. We are not denying that, and we are not trying to deny them their livelihood.

The two suggestions, together with extended funding from the same sources, are the only ones which can possibly produce results which all desire. In order to get this process under way I most earnestly request this House to let us proceed, before six o'clock, to a vote on this measure and to get it into a committee where the desired action and publicity can be obtained.

In conclusion, if this does not meet with the approval of hon. members on the government side, I would like to make a suggestion. If the government is not prepared to let the bill go to a committee, perhaps some hon. member opposite could be induced to move a relevant motion to have at least its subject matter referred to a committee, and I hope an hon. member opposite will so move. In that event I hope no objection will be raised on any side of the House to this procedural device, it being understood, of course, that once the motion is moved, discussion can continue. It would not cut off discussion, provided also, of course, that we end discussion just before six o'clock.

● (1710)

Mr. Hugh A. Anderson (Comox-Alberni): Mr. Speaker, first of all I should like to commend the hon. member for Esquimalt-Saanich (Mr. Munro), whose constituency is not too far down the road from Comox-Alberni, for raising the subject he has briefly discussed.

I think all of us in this House would agree that the present inhumane way of trapping in Canada is something of which we are not very proud. It would be fair to say that for several hundred years we have used a method of trapping which is inhumane and barbaric and which we would not allow in killing domestic animals for consumption. I think the hon. member should be commended for drawing the attention of the House to this matter and to the fact that for the last two years a federal-provincial committee has been studying the subject. The present effort to develop traps which would be more humane than the traditional leg-hold trap is an example of the useful role the federal government plays in an area which is basically under provincial legislation.

[Mr. Munro (Esquimalt-Saanich).]

The Canadian Wildlife Service of the Department of Fisheries and the Environment, following provincial requests in 1973, assisted in establishing a federal-provincial committee for humane trapping and has provided considerable expertise and financing for this very worthy project. Traps selected by the committee as worthy of serious study are presently being tested by the Canadian Wildlife Service. From the results of the early phases of this testing program the Canadian Wildlife Service will develop scientific criteria for the committee by which the committee can evaluate other traps.

After the first phase of laboratory work and field testing the Wildlife Service will help the committee to develop scientifically valid standards for humane traps. These standards can then be used by provincial governments in their regulation of trapping. I emphasize that the provinces will be charged with the ultimate responsibility of bringing the regulations into force regarding humane trapping.

The federal-provincial committee for humane trapping has a five-year program due to be finalized in 1979. The committee has a difficult task because the technology of steel traps has been extensively developed over a period of 100 or 200 years without producing any satisfactory alternative to the use of the leg-hold traps. I think it is unrealistic to expect a replacement of this within one or two years. The need to replace the leg-hold trap is clearly indicated, but to expect the necessary technology to be developed in a short space of time is unrealistic.

The Department of Fisheries and the Environment fully supports the work of the federal-provincial committee for humane trapping. When this program is complete, national standards for humane trapping will be available to all Canadian jurisdictions vis-à-vis the question of regulating trapping. I think that would be the time to consider legislative means of enforcing the use of humane traps in Canada. In my opinion, such legislation, prior to the completion of the committee's work, would be to act without the required knowledge.

Having some doubt about whether the hon. member's bill is constitutional and whether the federal government has any jurisdiction over the use of leg-hold traps, I would like to propose an amendment that the subject matter be referred not to the Standing Committee on Justice and Legal Affairs but to the Standing Committee on Fisheries and Forestry, and I realize this can only be done by unanimous consent. I was pleased when the hon. member remarked that this was satisfactory to him and that it would not end debate which would continue until the appointed hour. Mr. Speaker, I would therefore ask for the unanimous consent of the House to put the amendment.

The Acting Speaker (Mr. Ethier): Is it agreed?

Some hon. Members: Agreed.

Mr. Anderson: I move, seconded by the hon. member for Restigouche (Mr. Harquail):

That the motion be amended by deleting therefrom all the words after the word "that" and substituting therefor the following:

Bill C-208, an act to amend the Criminal Code (humane traps), be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof be referred to the Standing Committee on Fisheries and Forestry.

The Acting Speaker (Mr. Ethier): Shall the amendment carry?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Shall the motion, as amended, carry?

Mr. Wally Firth (Northwest Territories): Mr. Speaker, at the outset I wish to state my opposition to Bill C-208 as it now stands. While I can appreciate the motives behind this bill, I feel that the House should consider the full implications of this legislation. As a northerner and one who has spent some time on the trapline, and who has frozen his butt a few times when out trying to make a living, I am particularly concerned with the effect this bill will have on the trappers and their traditional means of making a living in the north. If the bill is passed as it now reads it will place severe burdens on individuals who have enough problems meeting day-to-day working conditions as hunters and trappers.

The hon. member who introduced this bill may not realize that most trappers operate individually. They have no big corporation to provide operating capital and expense accounts. The trapper must finance his entire enterprise out of his own pocket. Hon. members may be interested to note that the trappers of Canada are one of the few genuine private enterprisers left in this country. There may be fewer of these individual enterprisers left if this bill becomes law.

For the information of hon. members I would point out that a dozen standard six size 1½ traps cost $28.80 at the Hudson's Bay store in Inuvik, Northwest Territories. The average trapper needs at least 200 or 300 traps. This means that the trapper will have to pay out over $500 to $600 to obtain a new line of trapping equipment. This would be about $600 over and above all of his other operating expenses. I believe the average income of a trapper in the north is around $1,500 or $2,000 per year.

As it is now, the trapper has to invest a lot of his money to replace traps each year that are lost, that are worn out, that are broken, and in some cases maybe even traps that have been stolen. Now the hon. member from Esquimalt-Saanich (Mr. Munro) wants to add a new financial burden for hard-working individuals.

I should point out to this House that the trapper, for all of his hard work in the field, only makes a small percentage of the sales price of the finished item. Any trapper in Canada can quickly tell this House how tiny is the trapper's share in the price of a fur coat, for example.

● (1720)

The cost of traps is only a small part of the trapper's operating expenses. He must furnish his own transportation in order to operate. His transportation could consist of a dog team, which is costly to operate, or of a motor toboggan, and I do not need to tell hon. members how costly they are. I expect most hon. members already know. The trapper must buy a lot of camping equipment, which is most expensive, and lots of expensive winter clothing if he is to survive and operate in the extreme northern temperatures. And it gets very cold; temperatures go to well below zero. As well, food is expensive in all of northern Canada. For example in Yellowknife food costs at least 30 per cent more than in Edmonton which is only 1,000 miles away by gravel highway. The trapper must buy large quantities of food in order to work for long periods on his traplines and earn his living.

Trapping is a traditional way of life in northern Canada. As it is the trapper makes but a meagre living from his hard work. I have known many trappers, and can assure hon. members here that they are hard workers who enjoy their line of work. They are not interested in welfare but many could be forced on to welfare rolls if this bill were to pass, since their operating costs would rise.

I feel that in this proposed bill the hon. member for Esquimalt-Saanich has his priorities completely confused. The effect of the bill would be to punish trappers for pursuing their traditional way of living. The bill would class as criminals trappers who do not have money to invest immediately for a new line of traps.

The bill, if passed, would place an unfair burden on the RCMP, members which would be required to patrol trap lines across the north. It would place a great burden as well on game officers, conservation officers, and environmental inspectors. All of these people have better things to do than harass hard-working individuals pursuing a line of work which has long been traditional in the north.

I submit that the bill uses a negative approach to gain a positive response. Its logic is all wrong. Why not use a positive approach to gain a positive response?

If the hon. member wants trappers to purchase a new kind of trap the federal government should provide an incentive for the purchase of such traps and not punish those trying to make a living under difficult conditions.

Mr. Munro (Esquimalt-Saanich): I never introduced the kind of bill the hon. member describes.

Mr. Firth: I would recommend an amendment to the Regional Development Incentives Act. The government could provide grants to all trappers using the new humane traps mentioned earlier, if the new traps become available. In so doing the government would be encouraging a line of work which has enjoyed a long tradition in this country, and would not be punishing people for wanting to work at something they have known all their lives. Trapping is the only means of making a living that some northern people know.

Humane Animal Traps

Mr. W. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I congratulate the hon. member for Esquimalt-Saanich (Mr. Munro) for bringing forward Bill C-208 for discussion. I subscribe to its purposes. The explanatory note reads:

The purpose of this amendment is to prohibit the use of leg-hold snares and other inhumane types of trap where a practical alternative is now available or becomes available in the future, to promote the eventual phasing-out of such traps, and to encourage the correct setting of traps meant to cause instantaneous death.

I should like to take this opportunity, Mr. Speaker, to voice my support for my colleague's efforts to prohibit the use of leg-hold traps and other cruel trapping methods. It is sometimes necessary to provide a stimulus for change and this is one of those times. The hon. member for Esquimalt-Saanich should be congratulated for providing us with a reasonable bill that should commend itself to the House.

The bill before us now has two key aspects. The first is to eliminate a method of trapping which can only be described as inhumane, namely, the leg-hold snare. The second and by no means less important feature is the provision made for practicality. The proposed amendment is not a wild-eyed reform; rather, it is a considered solution to a serious problem. The hon. member calls for the prohibition of certain traditional methods of trapping only where practical alternatives are now available. This approach is laudable because the hon. member has made the necessary distinction between traps specifically and trapping generally. The proposed amendment would not destroy the livelihood of trappers. It does not prohibit trapping, just the use of those traps which cause the animal prolonged suffering. Because of this the enforcement of this amendment would be both reasonable and practicable.

As hon. members know, a number of Canadians—and here I refer to our native people as well as white trappers—depend on the hunt or the fur trade for their livelihood and in some cases for their existence. An industry as long established as fur trapping should not be lightly disturbed. The seal hunters of Newfoundland are all too familiar with this phenomenon. No, Mr. Speaker, this bill provides, instead, for the needs of the people most directly involved in any alteration in the terms of the fur trade. It will not deprive the trapper of the essential tools of his trade at the stroke of a far-off pen.

The burden of change does not lie merely on our consciences and our attitudes, sitting as we are in the relative comfort of an urban environment. It lies on those who must bear the cost. For example, a fur trapper with an income of about $7,000 a year finds it necessary to invest some of that income in the purchase and maintenance of his equipment. A leg-hold trap runs in price from $2 to $5. Multiply this by 30 or 40 and the cost, if the average price per trap is $3.50, is about $105. Moreover, the weight of the leg-hold trap is one and a half pounds; multiply this by 30, and the trapper must transport 45 pounds of traps to his trapline.

One alternative to the leg-hold trap is the Conibear trap. It has been argued that this trap is a reasonable replacement. However, there are two basic points that must be looked at. First, this type of trap will cost from $14 to $25; 30 traps at $25 each will cost the trapper $750. You will recognize that this is a considerable expenditure indeed. Furthermore, this trap weights four pounds ten ounces. The total weight of 30 traps would in this case be 123 pounds. I would not like to be the person, Mr. Speaker, who had to carry 30 or 40 Conibear traps through woods in winter. We wish to show, therefore, that we are not simply enacting a reform in a small economic sector whose importance is relatively small. We are trying, through this bill, to take into consideration the needs and the interests of the people directly and indirectly involved.

I have already mentioned the Conibear trap as an alternative currently available to the leg-hold trap. I have pointed out that its weight and cost disqualify it as a reasonable and logical choice to replace the leg-hold variety. There are, however, other types of traps which have to be considered.

The federal-provincial committee on humane trapping has advertised for and has received a number of designs. In fact over 100 proposed patented models have been submitted to the committee for their consideration. Testing and evaluating are a painstaking process and, as a result, the committee will not present its final recommendations for another three years. However, there are also four types of traps that have been mechanically tested for the committee by the Canadian Standards Association. These traps are the Bigelow, the Hanson, the Dahlgner and the Instant Killer traps. Each of these traps has its commendable points, not the least of which is that each is a non-leg snare; but each is also exceedingly heavy. The Bigelow, for example, weighs two and a half pounds. The Instant Killer weighs about six pounds. Multiply that by 30 again and you will come up with another impossibly heavy load. This may seem like an excessively gloomy presentation of the actual situation in the trapping industry. Nevertheless, the existence of several varieties of substitutes shows that the problem has been solved in principle.

The requirements for an alternative trapping method are known; they are cost, weight, force, and holding technique. Refinements are necessary but the basic technology exists. While current models are not practical replacements for the leg-hold trap it has been shown that substitutes do exist in theory. What is required is a concentrated effort to refine the present possibilities, to remove those features that make the traps mentioned and others, unrealistic. By putting the force of law behind this proposal the impetus will exist to effect these changes.

● (1730)

As Canadians we pride ourselves on being civilized and humane. We also take pride in our equitable nature. The passage of this bill will allow us to continue to extol these virtues. However, if the leg-hold trap is allowed to remain, our sincerity and integrity will be subject to question. By passing this bill, Mr. Speaker, our concern will have the force of action to its credit and it will not simply be dismissed as a series of platitudes.

At present the efforts being made by the federal-provincial committee are most commendable. By carefully considering

each proposal the committee is maintaining its credibility as the legitimate testing agent for new types of traps. By careful consultation with the Ontario Veterinary College at the University of Guelph the medical integrity of its inquiries is being preserved. By passing this bill, force will be given to the concerted efforts of the members of this committee and it will provide a good example for provincial governments.

I think it is necessary to make clear that the provinces must take an active interest in this issue. The committee is in the process of developing standards and methods of safe trapping. These standards, when they are formally tabled, will be enforced in all federal jurisdictions where trapping is carried out. It is necessary for provinces to see that the federal government is not making idle jestures. By passing this amendment, the provincial governments will have to take action. It is, after all, the provinces that are responsible for the management and control of fur-bearing animals. The federal government can provide the data for a restructuring of the trapping policy. It can make adjustments in its own legislation, in keeping with the spirit of the data. It cannot, however, change provincial statutes. By force of example, this amendment will provide the necessary impetus for change.

This bill is a rational, well-thought-out proposal. It is reasonable in tone and it combines the idea of humane treatment of animals with practicality. It sets a precedent for provincial governments to follow. Finally, and perhaps most important, it protects both the trapper and people concerned with humane trapping.

In conclusion, Mr. Speaker, I would ask my colleagues in the House to support the measure brought forward by the hon. member for Esquimalt-Saanich to prohibit the use of leg-hold traps. I congratulate my colleague, the hon. member for Comox-Alberni (Mr. Anderson), on moving the motion that the substance of the bill be referred to the Standing Committee on Fisheries and Forestry.

Mr. J. Robert Howie (York-Sunbury): Mr. Speaker, I commend my colleague from Esquimalt-Saanich (Mr. Munro) for drawing to the attention of the House this very serious matter and for giving leadership in doing some thing constructive about it. He has given consideration to the whole trapping industry.

My interest in this subject was prompted by my admiration for the work of the wife of a former member of this chamber, Mrs. Hugh John Flemming. Mrs. Flemming is a great Canadian who lives in my constituency. She founded the Kindness Clubs whose good work is now international in scope.

I would like to voice my strong support for this bill asking for an amendment to the Criminal Code to prohibit the use of leg-hold snares and other inhumane types of traps. The leg-hold trap is the most barbaric form of torture man has inflicted on the animal kingdom. As its name suggests, the trap catches its victim around the leg or paw and holds it in a vice-like grip between steel jaws. The trapped animal or bird awaits death by thirst, starvation or exposure, torture that can last for days and even weeks. Another way of dying is for the victim to rip off or chew off a foot or leg.

About three million fur-bearing animals are trapped each year in Canada during the five month trapping season. It has been estimated, however, that six million unwanted birds and animals—eagles, owls, porcupines, woodpeckers, etc.—are accidentally caught and die needlessly because of the continued use of the leg-hold trap.

The primitive leg-hold trap is the main method of catching our fur-bearing animals in Canada. A trap was invented and has been on the market for almost 20 years, called the Conibear trap, with the use of which animals caught in it die either instantly or in a matter of seconds. This trap does have disadvantages such as cost and it is not really effective for the dog family; wolf, fox, and coyote. Fox is the most important of these commercially and only accounts for 1½ per cent of pelts sold. More research is needed to improve this trap, and even though it is better than the present leg-hold trap, still it is not widely used.

In September, 1973, a federal-provincial committee for humane trapping was called for, and an eight-member committee was created by the federal-provincial wildlife conference. After a full six months, a co-ordinator was hired to organize its work, so the Committee could not begin operations until mid-1974. Eight months after it was formed, the committee decided upon its aims and objectives.

The committee's mandate is to co-ordinate and encourage the development of humane trapping methods and devices; and to recommend to the provinces traps and trapping techniques which will provide, in so far as the state of the science and the art will allow, the greatest "humaneness" in holding or killing fur-bearing animals.

This sounds all very well and good, but what has the committee accomplished? To date, over 100 devices have been submitted to the committee for consideration. Of these, only three are undergoing final testing, and four are in the initial stages of testing for mechanical and biological suitability. If the results from these tests are satisfactory, the committee will submit these devices for field testing. In other words, not one device has arrived at the final stages of testing. The reason for this is simple. This worth-while committee does not have enough money to finance its operations properly.

It is good that the government has initiated a committee to look into this matter, but it would be showing real concern if it were to finance the committee's operations properly so that a solution could be found quickly and thereby stop the needless cruelty to our wildlife.

In concluding, it states in the proposed bill that the government should amend the Criminal Code to prohibit the use of inhumane animal traps where a practical alternative is now available or becomes available. This definitely receives my support, and this is where the government's financial support is needed to alleviate the problem of the lack of progress in the development of a quick-kill trap that would improve the humaneness of trapping and also satisfy trappers' needs.

I would also support the phasing-out period as it is recognized that it is not practical to have immediate banning of existing trapping methods where no completely viable alternative is available to the trapper. The government could also assist by subsidizing part of the cost of replacing old traps with the new more humane type.

It is not enough that the government recognize the inhumanity of the leg-hold trap, but is should take a stand by giving enough financial support so that the necessary research can be done as quickly as possible and with the incentive of financial assistance in helping the trapper to replace the old traps. A time will come when this primitive form of trapping will become a thing of the past. There should be no more delays.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, first I wish to congratulate the hon. member for Esquimalt-Saanich (Mr. Munro) on his initiative. However, we have seen in the last half hour or so that Bill C-208 as it was presented no longer exists. However, with the unanimous consent and agreement of the House its subject matter will be referred for consideration to the Standing Committee on Fisheries and Forestry.

There are two points that should be identified when discussing a matter such as this. One is with regard to consideration for those people who are gainfully employed in the fur industry. No mention has been made of any discussion that might have been undertaken with regard to protecting the position of those who secure their livelihood through this industry. All too often, although with good intention, we move in the direction of bringing ourselves to a point where some harm can be done to Canadians who rely completely on this type of livelihood.

The other point is that more consideration should be given to taking action with regard to education. More educational programs should be encouraged. I hope this point will be considered by members of the standing committee and that they will make some recommendation or suggestion. Funds could be made available to encourage the presentation in the media, and through educational television programs, of the whole story of the use of leg-hold traps in Canada. Perhaps progress might be quickly made if programs on television were to show the agony these fur-bearing animals must endure when caught in traps of the type described.

● (1740)

The government should certainly be concerned about the type of trapping to be permitted in Canada. Something certainly should be done. The government has made its position clear. I understand that the University of Guelph has received some $60,000 for work in this field, and I would recommend that more be done in this regard in addition to reaching whatever areas we can through educational programs to train people who will eventually earn their living by trapping. I understand that a committee has already been set up, with federal input, to look into this subject. Despite the possibility of some difficulty with regard to jurisdiction, I believe this is a topic which can very well be brought up by a private member in an effort to move more quickly, through co-operation and discussion, to bring about the result we all desire.

I conclude by restating that when we consider this question we should deal not only with the method of trapping used but with the whole question of employment or unemployment. I am always a little concerned when we talk about acting in a way which might solve one problem only to create or worsen another. I personally am hopeful that various departments of government, such as the Department of Fisheries and the Environment or the Ministry of Science and Technology could find a more humane method of trapping animals. One might think that in these days of advanced technology there would be no need to be concerned about the use of out-dated trapping devices. I would hope that this measure, when it is brought before a committtee, will be studied with the help of specialized witnesses, people who are experts in the field, so that action may be taken to correct the situation which presently exists.

Mr. John Gilbert (Broadview): Mr. Speaker, it was not my intention to speak in this debate, but I have heard so many fine speeches that I am tempted and inspired to speak. The reason I am tempted and inspired to speak is that I wonder whether we should not widen the reference with regard to the topic. The topic at the moment is inhumane leg-hold traps, and the committee is going to discuss this topic.

I have had the opportunity to see other types of inhumane killing. Two years ago I went to the Magdalen Islands to see the seal hunt. I saw little seals being struck on the head with clubs and very little has been done with regard to that. Some of us in this party are strongly opposed to it. At the same time we realize the economic difficulties which confront people who hunt the seals. Our leader went down to Newfoundland and spoke to some of the sealers, and they told him about the financial hardship which would be caused if the seal hunt were banned.

The hon. member for the Northwest Territories (Mr. Firth) has drawn attention to the financial hardship which would be caused if there were some form of prohibition against hunting, more especially the hunting of the fox and other fur-bearing animals.

It is important that any study should include the economic consequences which would follow total prohibition. I hope that when the measure gets to the committee its terms of reference can be widened to include consideration of the economic and financial consequences which would follow total prohibition. I notice that one of the members from Newfoundland appears anxious to get up and speak on this subject. He is probably familiar with the seal hunt and familiar with the economic and financial implications of the seal hunt for Newfoundland. I hope that the hon. member for Esquimalt-Saanich (Mr. Munro)—it is always a very difficult riding to pronounce. It almost sounds like Eskimo sandwich.

Mr. Munro (Esquimalt-Saanich): Saanich. S-a-a-n-i-c-h.

Mr. Gilbert: Thank you. I always thank my colleagues for their kindness in helping me. I hope the hon. member who introduced this bill will bring forward another bill dealing with kindness to human beings. One of the members who preceded me talked about Hugh John Flemming's wife forming a kindness to animals club. It is about time there was a kindness club directed to human beings. I would think that a former diplomat, a member who has been attached to diplomatic missions across the world, would bring forward a bill abolishing nuclear weapons which kill people by the thousands. When I think of Nagasaki and Hiroshima it occurs to me that his next bill should be concerned with kindness to human beings.

I also hope the hon. member will widen the parameters to include killing in slaughter houses. What is humane about hitting a cow over the head with a big hammer, or slashing the throat of a chicken or turkey? I notice I have the support of the hon. member for Niagara Falls (Mr. Young). Therefore, although it is important that the hon. member has brought the bill before the House at this time, it is rather narrow in scope. It should really include the wider sphere of the humane treatment of other animals, more especially the humane treatment of human beings. I look forward to the hon. member introducing other bills in the House dealing with human beings, but I am very happy that this bill is going to committee.

● (1750)

Mr. Roger Young (Niagara Falls): Mr. Speaker, I should like to thank the hon. member for Broadview (Mr. Gilbert) for noticing my nod of agreement with him. My thoughts are somewhat in line with part of what he said, and I shall explain what I mean. I am not going to speak for a long time because I want to be off my feet before the hour of six o'clock to allow the subject matter of this bill to proceed to committee.

I heard some speeches this evening, Mr. Speaker, which made me want to make a few comments that might put the situation in a little bit off balance. We have spoken about the killing of animals. The hon. member for Broadview referred to this exactly as I would have said it. There is no really nice way to die, whether it is in terms of humans or animals. It is death, and that is pretty final.

I heard the hon. member who originally proposed the bill this evening talk in terms of "cruel and unusual punishment", which is something that usually comes up more in a debate on capital punishment than in terms of leg-hold traps for animals. I wonder whether he would have brought out some of his sentiments in that other debate.

I grew up on a farm, Mr. Speaker, and I have seen birth and I have seen death. I have lived with animals, and I have had to put down animals as humanely as possible when they have been injured or born deformed. It is not a nice thing to do. But I want to disabuse the House of the notion that all those people who trap and all those who manufacture and sell traps are unfeeling, bloodthirsty, and blood lusting, that they are uncaring monsters.

Mr. Munro (Esquimalt-Saanich): I did not say that.

Mr. Young: Well, Mr. Speaker, there are some who seem to feel that. I did not say that that was an exact quote, but there are some people, whether in this House or outside in the country, who seem to feel that way. I happen to come from a riding which has within its boundaries the largest manufacturer of animal traps in this country, so I think I can speak with some knowledge.

Mr. Munro (Esquimalt-Saanich): Ah!

Mr. Young: I am not speaking entirely on their behalf either. The hon. member says "Ah!". I have spoken to them several times about the products that they are selling and about the upgrading of their traps and the revisions they are trying to make.

Mr. Munro (Esquimalt-Saanich): They could build better mousetraps.

Mr. Young: They tried to build better mousetraps. They tried to build all kinds of better traps. This firm—I will not name it—I can tell the hon. member was the first to bring the Conibear trap on to the market, the most humane trap that we have today. They have also sold for many years the Victor leg-hold trap. I can tell the hon. member, who may not know this, that the Victor leg-hold trap has now been revised to the point where there are offset jaws, where there are inset pads, where there are no teeth in the jaws which close on the trap. All of this makes a trap more humane for an animal, Mr. Speaker, but it does not come out in the bill the hon. member is talking about.

I do not necessarily like to see this, but I can also point out, from checking market sales, that about 20 per cent of the sales of traps in this country today are made up of the Conibear trap, or more humane trap, and about 80 per cent are made up of the leg-hold variety. I think that says one thing to all of us here and to the people in this country: the market rules. Sales rule. If there is not a suitable alternative, the trapper is not going to buy it. He just cannot buy it today.

The hon. member's bill would subject manufacturers, sellers, and importers of traps to criminal punishment. I do not think it is fair to do this in the absence of a viable alternative. That is what I did not like in particular about the hon. member's bill, which I would have spoken very heartily against, because I think it is unfair treatment to those who are trying to produce a better trap.

Mr. Munro (Esquimalt-Saanich): The bill has been withdrawn.

Mr. Young: The bill has been withdrawn, but I know from conversations with some of these manufacturers over the past couple of years, and as late as this afternoon, of the number of committees to which they belong. I know of the number of study sessions that they go to, and I know the amount of expense they go to in trying to develop more humane traps. So I do not think we should just load this all on to the backs of the trap manufacturer or the trapper, as was so well pointed out by the hon. member for Northwest Territories (Mr. Firth).

Those people do not have a large association to do their bartering and bargaining for them, to plead their case; and I think the hon. member for Northwest Territories did an excellent job this evening of putting that point of view forward.

I just wanted to bring a bit of balance to the discussion, Mr. Speaker. More of these points can be brought out in committee. I know that the manufacturers, the industry and sales people would welcome this kind of discussion in committee because it might give a lot of fresh air to a discussion of the matter and allow both sides of the picture to be brought out.

I have a great deal of sympathy and feeling for the hon. member's plea on behalf of animals. I much prefer to go to the zoo. I am not a hunter or a trapper myself. I have not shot a gun for years, and I much prefer to see wildlife on film or through the lens of a camera than I do through the sights of a rifle. But let me just say this to bring a little balance to the discussion. I am glad that the subject matter can go to committee and not the bill itself.

The Acting Speaker (Mr. Ethier): Order, please. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion (Mr. Munro (Esquimalt-Saanich)) as amended, agreed to.

The Acting Speaker (Mr. Ethier): Accordingly, the subject matter of the bill stands referred to the Standing Committee on Fisheries and Forestry.

The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT EXPENDITURES RESTRAINT ACT

AMENDMENT TO REMOVE CERTAIN RESTRICTIONS RESPECTING TRAINING ALLOWANCE RATES

The House resumed consideration of the motion of Mr. Andras that Bill C-19, to amend or repeal certain statutes to enable restraint of government expenditures, be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Peter Elzinga (Pembina): Mr. Speaker, as one who enters this debate after it has gone on for some time I am sure part of what I have to say will be repetitive. In my opinion, however, it bears repeating. Let us hope that some of these comments will not fall on deaf ears.

I read with interest the speeches in respect of Bill C-19. I wish to comment on two of them. My good friend, the hon. member for Vegreville (Mr. Mazankowski), gave an excellent speech on government mismanagement. Some of his remarks are worth repeating. His comments in this House are always well researched and I wish to commend him on his valued contribution to this debate.

This is not a genuine government restraint bill. In the areas where it proposes to exercise restraint the result will probably be much more costly in terms of the human and financial resources of this country. My good friend, the hon. member for Edmonton West (Mr. Lambert), also commented that this bill does not contain very much so far as restraint is concerned. He was right. Governments are notorious for not practising what they preach. But the gall of a federal government which preaches, and indeed forces, restraint on everybody but itself is becoming truly indefensible.

The latest example of the "do as I say not as I do" theory is in the supplementary spending estimates announced by the federal government, together with suggestions of what the year's total federal outlay will be. The recently announced estimates total $594 million, which prompted the President of the Treasury Board (Mr. Andras) to gloat that they were significantly lower than in previous years. This, he said, reflects the government's determination to restrain the growth of federal expenditures, an integral part of the anti-inflation program.

In the next breath, and before rejoicing could take place at such a marvellous example of belt tightening, the President of the Treasury Board estimated that federal expenditures this year may total $42.2 billion, $6 billion more than the year before. That implies that another $2 billion supplementary spending is still to come, and that total federal spending for 1976-77 will have risen by an astounding 16 per cent. This is what we have from a government which has been urging restraint on business and industry, which has been cutting back wage increases to 10 per cent or less, and which has legislated a reduction in profits; a government so committed to restraint that it managed to keep the watchdog of it all, the Anti-Inflation Board, down to a budget merely double the original one.

It would not have been so had had the supplementary estimates included a large amount for programs desired to relieve the cripplingly high unemployment rate; but they do not. Of the $594 million only about 15 per cent will go for manpower programs such as local initiatives and training schemes. Much of the remainder will go for vital undertakings such as a $25 million loan to Jamaica, $63 million in subsidies to railway companies, and $33 million for further bilingualism development payments!

The government may find it impossible to hold the confidence and the attention of Canadians the next time it preaches restraint but practises wild over-spending. What we on this

side of the House want is a united Canada, a Canada that includes Quebec and which offers equality of opportunity to all the people of our great nation. I believe the great majority of westerners are moderate, open-minded, and good willed in their perception of fellow Canadians everywhere, including French-speaking Canadians. These reasonable views are being corrupted and debased in terms of perception elsewhere, not by westerners, but by a belief, fostered indirectly by Liberal politicians and adopted without examination by other citizens who ought to know better, that any breath of opposition to either the Liberal party or to its official bilingualism program is by definition racist. That just simply is not so.

● (2010)

The Trudeau administration has been despised in western Canada for more than five years, not because of its bilingualism policies, but because it has provided astonishingly bad government. It has failed to comprehend, let alone face, some of the deep-seated western anxieties about that region's own role in Confederation, and Bill C-19 is a fine example of that. It has failed to provide even a modicum of sensible government for the nation as a whole.

In a more local sense, the government has plundered Alberta's natural resources in a manner which, had it tried even a fraction of it in Ontario or Quebec, would have led to the fall of the ministry within a few weeks of the attempt.

It is important to restate a western view and to refute some of these dismal propositions at this time because the growing mythology has implications far broader than just a general smear of western Canadians. It suggests that the national Conservative party under our capable leader cannot by definition lead this divided country, and it merely panders to the Liberal notion that they, and they alone, are fit to govern.

Make no mistake about it, Mr. Speaker, lots of westerners regard aspects of the bilingualism policy with disfavour—not so much because those aspects are sinister but because they are silly. The packaging and labelling regulations, in combination with the grim dictate that the dismal chemicals that comprise so much of modern food be listed in the two languages, produce a two-tongue clutter in this region to the general benefit of no one.

The expensive attempt to educate civil servants in a second language was known to be a failure in western Canada long before the government acknowledged it. Westerners argued for years that the way to approach language was through the schools. Instead of learning about these things and seeking to assist them, the new Secretary of State (Mr. Roberts) sits in Toronto and gives interviews, including the hoary old yarn about the westerner who supposedly believed that a mountie would one day tell him that he must learn French. This man, Mr. Speaker, promises to succeed fittingly his predecessor as a promoter of narrow nationalism which is as repugnant to western Canadians as it is to Quebecers because it seeks to bottle up all Canadians in their own juices and insulate our tender minds from people in other parts of our country.

There are many perfectly legitimate points of discussion surrounding Quebec's relationship with the other nine provinces. There always have been, there always will be. We know that in Alberta with particular force, because many of Quebec's positions are also Alberta's positions. The two provincial governments had a relationship that was among the closest of any that has existed between two governments in this all too often squabbling nation. That relationship is perfectly well known to Lougheed's voters, and they do not attack him for it.

One constant western preoccupation is with transportation of people and goods. It is surely self-evident that mutual understanding between people would be greatly enhanced in this vast country by the provision of cheap and easy travel. Instead, the Liberal government doggedly espouses a user-pay transportation formula which militates most strongly against those in the extremities of the nation. They have increased the obstacles to travel, not decreased them, except for members of their own jet set.

We have a Minister of Transport (Mr. Lang) who has cost the Canadian taxpayer some $740,000 for his air transportation, when commercial flights are available to him which would cost the taxpayer a great deal less, flights that the majority of other MPs use. Of this $740,000, some $8,000 was used by him to attend last year's Grey Cup game, and in excess of $10,000 was used by him to attend a party put on by his brother-in-law.

What kind of credibility can the government possibly expect when we see one of the ministers of the government wantonly spending tax dollars whenever the whim strikes him to take to the air? After all, Saskatoon is not exactly an isolated, inaccessible outpost that cannot be reached by regular daily flights.

Bill C-19 is insincere, Mr. Speaker. It is designed to persuade the general public that this is only the tip of the iceberg, and simply indicates the kind of savings efforts the government is making. I am appalled at the way in which the government can play games with figures when it wants to sell a particular philosophy or policy. This government's instincts for manipulating for political gain never cease to amaze me.

We all know there is lots of room for the government to tidy and tighten its own operations. I refer specifically to the way in which the government, its agencies and departments, control their internal financing. I do not suppose improvements in this area would attract too much attention in the press, nevertheless restoring proper financial and parliamentary control is one of the gut issues we face.

The financial control and the management systems of the Government of Canada, its agencies and departments, are significantly below acceptable standards of quality and effectiveness, and I do not know how long the government expects the Canadian people to swallow the blatant inadequacies and devious techniques that it has fostered. What we want in Canada, Mr. Speaker, is a government that is willing to deal with its citizens openly and honestly, not a government that hides the truth.

I am willing to bet that the Canadian leader who first talks simply and clearly to the Canadian people will draw a fair number of doubters to his side. People nowadays are sophisticated. They will hand the palm not to those who promise perfection or who claim never to have failed, but to those who, despite their limitations, will try hard to do the best they can, and do so with integrity and intelligence. Doing otherwise reveals either the politician's own insecurity or his contempt for the people he is elected to serve.

I believe that the Canadian people are seeking new voices, new ideas and new leaders and, although the government has its limits and cannot solve all problems, we as Canadians reject the view that we must accept failure and mediocrity. That is not our Canadian heritage.

Admittedly our party has not been perfect; none is. We have made mistakes and we have paid for them, but ours is a party with a tradition of leadership, compassion and progress, ours is a party that makes its major investments in people, and we strongly believe that the test of any government is not how popular it is with the powerful, but how honestly and fairly it deals with the many who must depend on it. Business, labour, agriculture, education, science, and government must not struggle in isolation from one another but should strive towards mutual goals and shared opportunities, and that is the type of government we would have under the leadership of the Leader of the Official Opposition (Mr. Clark).

Mr. Frank Maine (Wellington): Mr. Speaker, in dealing with Bill C-19 which repeals certain statutes thus enabling the government to restrain government expenditures, I would like to comment on the necessity for cut backs in government spending. This message from voters across Canada in the last several months has been loud and clear. We need help in fighting inflation and we need it from all parts of the country. We must convince the public that the government is serious in its intention, and the best way to convince people is to show them by example.

In times of restraint we must decide which programs can be eliminated or cut back so that we can reduce our own spending. These must be programs, the elimination of which would not materially reduce the well being of Canadians. Therefore one of the things we can do is to eliminate spending on programs which have outlived their usefulness or programs which we cannot afford in times of restraint.

Some programs have fulfilled the intentions which they were designed to fulfil and funding should not be continued by the federal government, but if desired can be replaced by other forms of funding such as from the private sector. There are other programs that started off as good ideas but that did not quite work out the way the government had intended them to work out, and this fact must be recognized and the programs ended.

● (2020)

There are other programs the objectives of which the government had a specific intention to fulfil, and these objectives have been fulfilled. Therefore once a program has fulfilled its objective, it should be terminated. Three examples of this are the Company of Young Canadians, Information Canada, and the program relating to the Industrial Research and Development Incentives Act, commonly known as IRDIA. I think the termination of these programs demonstrates the approach of the federal government in reviewing its policies; looking at what can be done; and discontinuing programs which outlive their usefulness.

I would like to deal in a little more detail with the IRDIA program since that is the one with which I am most familiar, having dealt with it for most of the ten years of its existence. It began in 1966 and had a definite positive effect on industrial research and development for most of the last ten years. It was intended to encourage industrial research.

The program provided that any increase in research expenditure by a company over a base level determined by an average of the previous five years would result in a benefit to the company of a tax credit of 150 per cent. So as long as companies increased research and development, there was a benefit involved. This benefit was used by many industrial establishments in Canada. Most of the research laboratories which have been built, have been built in the last ten years, and the companies involved have benefited directly from this legislation. However, companies cannot keep building new laboratories just to take advantage of this tax benefit, and there are very few companies which have taken advantage of this in the last two years.

Essentially companies do not keep increasing their research and development efforts indefinitely. There is a levelling off in research expenditures. When that happens, the base level climbs up to the expenditure level, and therefore no amount of research expenditure qualifies for this tax benefit. As a result, the program has outlived its usefulness. It has done its job. There are no benefits being derived from it by way of tax rebates. With one or two exceptions that is where we are today. I think the maintenance of that program would only create increased and unnecessary paperwork, and both government and industry can well do without that.

In the whole area of industrial research and development the incentives which have been provided have been reviewed in this last year. Gordon Sharwood, a consultant on contract with the Department of Industry, Trade and Commerce, has conducted a comprehensive study with the cooperation of M.O.S.S.T. officials to look at government programs on research and development to see how they could be updated and made more effective. One of the suggestions has been to terminate programs which are no longer effective. Other suggestions relate to changing the format of programs now in existence, and these suggestions are being considered and new programs are currently being worked out.

Reviewing past legislation, we find that the IRDIA program has certainly done its job and has outlived its usefulness, and I think it is completely incorrect to conclude that the government is not interested in or is not supporting industrial research and development. This was the comment some people

made when they read the intentions of the government in the budget earlier this year relating to the termination of the IRDIA program.

I would like to refute the argument that the government is not interested in supporting or encouraging industrial research or development and express my support for the termination of this program. This indicates that we are cleaning house, reviewing our legislation, trying to improve the efficiency of our programs and cutting down government expenditures where we can, in this very crucial time of restraint.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, I want to make a few comments on Bill C-19, the government's program to restrain government expenditures. I do not think anyone who has a feel for the economy will disagree that expenditures have to be cut back and that government spending is one of the problems we have.

Mr. Hogan: I disagree strongly.

Mr. Kempling: The thing which bothers most hon. members on this side is the method used to cut back programs and the effect that will have on certain parts of the country. The hon. member for Wellington (Mr. Maine) spoke about the IRDIA program, and as far as that program went, it did a pretty good job. The major beneficiaries of that program were very large corporations which had research and development facilities and which were able to make use of such a program. I do not think very many small companies or medium sized companies in this country really took very much advantage of IRDIA. I am not saying it is the fault of the government that those companies did not take advantage of it. Perhaps the department failed to realize the difficulties which faced small and medium sized companies.

I am looking forward to learning what new programs will be introduced, and I know many people in small and medium sized companies who are very interested in research and development programs. One of the problems is that they do not have the means to accumulate the funds required to carry out a research and development project. I think this is the key to the problem they face. Many small and medium sized companies have the desire to grow into larger companies which would have know-how, which would have market sense, and which would want to sell products, but in fact their problem is cash and cash flow, and I suggest that the Minister of Finance (Mr. Macdonald) and the Minister of Industry, Trade and Commerce (Mr. Chrétien) should consider this proposition seriously.

Small and medium sized companies should be allowed to accumulate a sum of money over a period of three to five years. The mechanism for saving that money is beside the point. That can be worked out; it is a matter of regulation. However, the problem is that they cannot undertake to develop a product to sell in the domestic market because they just do not have the means to accumulate the money required. The only time they really spend money on research and development is when they are at a very high level of earnings. Then if the market happens to turn down, the first thing they scrap is any research and development they have undertaken.

I think it would be possible and realistic to put a provision into our Income Tax Act which would allow these small and medium sized companies to accumulate a sum of perhaps $35,000, $50,000 or $100,000 over a period of three to five years with a specific purpose in mind. We must, of course, be sure that they carry it through because if they are going to accumulate money to use for research and development, we want to know it is used for research and development and not for something else.

• (2030)

This is one of the problems facing the small and medium sized industries in this country and one of the reasons why we do not have a strong secondary industry base. These companies just do not have the wherewithal to undertake realistic research programs. I know this from personal experience with companies I have been associated with in my business life. Periodically someone would suggest that we could make an imported product in this country, but it always came down to a question of where the money would come from for the tooling, etcetera that was required. It becomes a matter of dollars and cents and it is a pretty dismal prospect trying to raise money for an idea in the private sector.

Companies should be allowed to accumulate money in a special fund for research and development so that they would have the opportunity to complete their projects. This would help produce goods for the domestic market and perhaps reduce imports, thereby over time helping our balance of payments position. It would also help build the secondary industry base we so desperately need.

I think we all agree that the effects of government spending are part of the over-all problems which face most countries in the western world, though perhaps they are felt more acutely in Canada than elsewhere. The people of this country are very well aware that we must do something to reduce government spending. The effect on the economy and the business community's lack of confidence in the economy are apparent.

Just last week a company in my constituency gave one year's notice to its employees. They say they are going to pull out of Canada and go back to their home country because they do not like the atmosphere and the economy here. If we made a list of the companies that have decided to pull out of Canada or who are talking that way, it would be quite a significant list.

The lack of confidence in the government and the economy in general is tied to several things, and of course the whole spectre of inflation is at the root of it. People on the street see the government asking everyone to tighten their belts but notice the government does not appear to be tightening its own. As I said earlier, cutting out some of these programs will have a disproportionate effect on certain regions of the country. We have to look at this question because for several years we have been proceeding on the concept of universality, but if we make across the board cuts the disadvantaged areas of the country will be affected very dramatically.

We should ask ourselves how effective the DREE program has been. It would be interesting to do a study of these programs and the industries that move from one part of the country to another. How many are still operating today? The theory behind the program was good—moving industry from an area where there was difficulty getting labour to an area where there was a surplus of labour. In fact, however, many of the industries that moved either could not find labour in the new area or were not able to train people, and ended up importing labour from their original location. DREE is something that has to be considered when we examine the effectiveness of government spending on industry, jobs, and so on in this country.

We must also look at the whole area of inflation and its relationship to the reduction of government spending. It is argued that wage demands are causing inflation but I think we should try to lay that one to rest. Wage demands are only reacting to inflation, not causing it. People do not know what the rate of inflation is going to be when their contract ends, so instead of signing a three year contract they sign for one year and try to get the most out of it.

It comes down to a matter of putting confidence back into the economy, Mr. Speaker, but the question is how is this to be done? Some people argue that increased prices cause inflation, but this is not reflected in company profits across the country so I do not think that can be called a contributing factor.

Very little has been done to reduce high interest rates and this is of very real concern to anyone who is in business or is contemplating a research and development project. The high cost of money prohibits many companies from undertaking such projects, particularly in view of the uncertainty in the economy.

The debates in this House and in committees should reflect what must be done to lower inflation, and what cuts must be made in government spending. I hope the matter will be taken to committee for thorough discussion.

Little has been said by the Minister of Finance, the Minister of Industry, Trade and Commerce, or anyone on the front benches about the relationship between the money supply and government spending. If you examine all the economic theories preached by the classical economists one thing comes through, and that is that in any country the money supply should not increase beyond the increase in the Gross National Product. In this country, however, as in most western countries, we have allowed this to happen. We have been printing vast sums of money for a number of years. Every time we do that every dollar in circulation is worth less.

● (2040)

We have run up serious balance of payment deficits and imported money from off-shore to offset those deficits. At present we face the prospect of paying about $740 million a year interest on that off-shore money. If projections come true, because action with regard to the money supply was not taken earlier and government spending not cut back earlier, by the end of this year or the first quarter of next year we shall be paying out interest at the rate of $1 billion a year. As one can see, there is an important relationship between the money supply, the level of government spending, trade deficits, and industrial activity in this country.

I find most disheartening the decline in the number of active manufacturing concerns and the decline of employment in manufacturing industries, some of which, not possessing the resources for competing in the market place, have become service companies. For example, we hear of the shoe industry crying out that it cannot compete with imports, yet the largest importers of shoes are shoe manufacturers themselves. Not being able to compete with imports, such companies have cut back on manufacturing. The net result of inadequate depreciation allowances, the taxation syndrome of the last ten or 15 years, and the pressures of inflation, has been a scarcity of funds available for replacing machinery and updating plant for competitive purposes. Such companies, not being able to keep abreast of current technology, have become service industries.

Some entrepreneurs in this country have engaged consulting engineers and built turnkey plants which have been shipped overseas. I do not oppose this as I think we must share our technology with others, but I am bothered by knowing that many of the plants we have erected off-shore are more productive than similar plants operating in Canada. We end up competing with the production of those plants on world markets. That I find disturbing. We must correct this situation.

We must allow our industries a number of years in which to upgrade their facilities and expand operations. We must make available generous tax allowances and funds for research and development. We must allow our companies to acquire, either domestically or elsewhere, the best available technology, in order that they may compete and offset to some extent the very high labour rates we pay in this country.

Earlier this year when I was in Japan I recall talking to some Japanese industrialists; we were talking about labour rates, technology and like matters. Possessing few natural resources, the Japanese must import 90 per cent the resources they use in the manufacturing industry. They said to me, "We have to be better managers and use superior technology to compete on the world market." I must say they are doing an excellent job. That must be our attitude. We must use the most advanced technology available if we are to be competitive on world markets. We have the resources in this country but pay very high labour rates. In order to offset the effect of these high rates, we must use the most advanced technology possible in industry.

I sincerely hope that when the Minister of Finance brings down the budget he will consider allowing our small and medium-sized industries to accumulate money over three to five years which they can spend on research and development. I hope he will also make provision for allowing our industries to upgrade their technology and the quality of machinery in plants, for only in that way can we be more productive. Unless we do this we may face the prospect of asking workers in certain industries to take pay cuts of 25 per cent, 30 per cent, and even 40 per cent.

The only way out of the dilemma is to set in motion mechanisms whereby our industry, our small and medium-sized businesses—I am not forgetting our large industries, but mention small and medium-sized ones because they are of particular concern to me—can upgrade plant and equipment and acquire modern technology. Our companies must be allowed to accumulate funds with which to undertake the development of industrial projects in Canada. If we do this we shall take a giant step forward in providing employment. But before this can be done we must restore confidence in our economy. People must be confident that our economy is going forward.

I suppose that what I am saying the Minister of Finance has heard many times; nevertheless it bears repeating that we must control government spending and control expansion of the money supply. Normally when one mentions the control of the money supply one is perceived as talking of a tight money policy. But curtailing the money supply need not result in a tight money policy. We can increase the velocity of money in circulation, but only if we restore confidence in the government and in the economy—in other words only if people are confident that we are going to move ahead economically.

We have on deposit in this country vast amounts of money in savings accounts. Many of our small and medium-sized businesses have retained undistributed, surplus moneys. Many businesses would like to invest such money in energy projects, for example, but our present taxation rules make it impossible to do this to advantage. We have within our company accounts and savings accounts vast sums of money for doing those things I suggest must be done, but they will only be done if people regain confidence in the economy and the government were to be forward looking and say, "In three or four years we shall work toward a balanced budget and control the money supply; the money supply will not increase at a rate greater than the growth in the Gross National Product." If the government were to do this, confidence in the economy would be restored and money available for investment released.

I have spoken at length in an attempt to convey my point of view. I do not like to be emotional in debate; I try to be constructive, not destructive, and like to feel I am making a useful contribution to the deliberations of this House. I hope that those opposite who must wrestle with these matters will take my remarks into consideration when new legislation is put forward.

● (2050)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating Bill C-19 which gives legal authority to the Government of Canada to restrain government expenditures. It is the wrong program at the wrong time, being implemented in the wrong way.

Yesterday an election took place in the province of Quebec. It may have been the most important provincial election ever to take place in Canada. I do not believe that any of us can assess the consequences of that election at this time. I am, as are all members of the party to which I belong, a believer in one Canada. I cannot willingly accept the idea that one province, be it Quebec or any other province, should want to separate from the rest of Canada.

Many polls were taken in the weeks preceding yesterday's election in Quebec. Those polls were right on in predicting the percentage of the votes which one party, the Parti Québécois, would get, 40 per cent. But that was not the only poll. People were also asked what they thought of the idea of a separate state of Quebec. The results which were published were very interesting. They showed that less than 20 per cent of the people in Quebec desire a separate state.

I have to ask myself, as should the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Macdonald), and the rest of the government, if 20 per cent of the people of Quebec want a separate state, why did 40 per cent vote for the Parti Québécois? The reasons are obvious.

First, they had a very corrupt government. One need only look at the history of the Olympics. The federal government was involved because it helped finance the Olympics. There was one illustration after another of corruption and thievery. The people of Quebec, and quite properly so, saw that they could not get anything else from that Quebec Liberal government. The people of Quebec were tired of the large scale unemployment which they had, unemployment foisted upon them by a provincial Liberal government and a federal Liberal government.

Today questions were directed to the Prime Minister and the Minister of Finance. They were asked whether in light of yesterday's election and in light of the unemployment situation right across the country they were giving fresh consideration to job creation programs. We got the same answer we have been getting since October, 1975, that inflation is more important than unemployment.

Years ago we protested about the waste created by unemployment. We protested about the misery and poverty it created. We were told it was not a serious question. That was in 1973 when, under the former minister of Finance, Mr. Turner, unemployment was 6 per cent. What do we see now? I wish to quote from the November 10, 1976, edition of the *Globe and Mail*:

> The unemployment rate for October hit 7.6 per cent, the highest seasonally adjusted rate since an equivalent figure in May, 1961, Statistics Canada reports . . .
>
> This year's previous highest jobless rate was 7.4 per cent last April . . .
>
> The government agency said all provinces, with the exception of British Columbia, Newfoundland and Alberta showed increases in their unemployment rates . . .
>
> For men aged 15 to 24 the jobless rate rose by two percentage points to 13.3 per cent while for men 25 and older the rate climbed by 0.6 of a point to 4.9 per cent.

Let us look at the provincial figures. In Quebec, which has the highest number of unemployed of any province, some 234,000, the rate is 10.1 per cent, up from the previous 9.7 per cent. In my province of Manitoba the rate rose to 4.9 per cent. In Saskatchewan it jumped to 4.2 per cent, and in Alberta remained steady at 3.7 per cent. The prairie figures do not include the very large percentage of 70 to 90 per cent of native

people living on reserves. They have never been included in our unemployment figures.

Is it any wonder that people in the province of Quebec say that they have had enough? They felt they had to vote for a party which had separatism as one of its main principles. Even though they did not agree with that principle, they had no other alternative at this time.

Today and on earlier occasions the Prime Minister and Minister of Finance were asked what they intended to do. They said that unemployment is not serious, that it is regional. The fact is that every region has the same problem. They say that it is temporary, they have to worry about inflation and, in fact, they are winning the fight against inflation. The government and the Minister of Finance are wrong on both counts. When I make this kind of claim the minister will say that I am being partisan and political. Therefore I will put on the record the views of two people who are quite well known in this country. They hold responsible positions and can by no stretch of the imagination be called radicals, left wing, socialist, or whatever epithet the Minister of Finance is using at the present time.

I wish to first quote a former chairman of the Economic Council. He has done much better for himself in his present position as vice-president of International Nickel than the recently resigned chairman of the Economic Council who will be an opposition member in the National Assembly in the province of Quebec. Here is what Arthur Smith had to say in Winnipeg less than ten days ago. I quote from the *Globe and Mail*:

> There is close to a 50-50 chance that Canada is heading for the worst period of economic slack since the 1930's, according to Arthur Smith, of Toronto, a vice-president of Inco Ltd. of Toronto and a past chairman of both the Economic Council of Canada and the Conference Board in Canada.

Don McGillivray, the national economics editor of Southam Press, was reported in the Montreal *Gazette* of November 10, 1976, where he was discussing the unemployment figures which I just put on the record. In dealing with the job the present Minister of Finance is doing he writes, and I quote:

> Mr. Macdonald's economic policy, as set forth in his budget speech only five months ago, is in tatters.
>
> Rising unemployment is not the only chilly breeze blowing through the holes in his costume.
>
> He forecast in May that 250,000 new jobs would be created in Canada this year. He is going to fall a little short. In first 10 months of the year, 114,000 new jobs have appeared.

● (2100)

That is less that half the figure the minister predicted in his budget speech a few months ago. He says:

> Mr. Macdonald was relying on business investment to sustain "the expansion" next year. But the latest investment survey by the Department of Industry, Trade and Commerce shows a pattern of postponed investment with failure of market demand as the most frequently cited reason.

The article goes on to say:

> The minister rejected suggestions . . . that the anti-inflation program had anything to do with the slow growth of the gross national product despite the fact that the investment outlook survey had just reported that 13 per cent of companies cut back their investment plans because of the program.

[Mr. Orlikow.]

> But when it is a question whether the anti-inflation program has cut inflation in Canada, Mr. Macdonald and other members of the government give the program a generous helping of credit despite the fact that the same kind of slowing in prices had occurred in the U.S. and elsewhere.

Mr. McGillivray concludes his column by saying:

> Perhaps Mr. Macdonald's attempt to maintain that "our primary concern should still be the level of Canadian inflation" is just a holding action. Perhaps he is really considering a change of policy to get the economy out of its stagnation but has not had time yet to work it out in detail and so is not ready to announce it.
>
> It is to be hoped that this is so. Usually Canadian governments wait so long to make sure that the trend is clear that the trend—whether to inflation or recession—becomes unstoppable.

That is precisely where we stand at the present time. Later, I shall discuss what we believe could be done and should in the field of job creation. I want to deal now, with another aspect. Why do the people of Canada, including the people of Quebec, feel so dissatisfied with governments whether federal or provincial?

In the last 25 years we have seen a host of income distribution programs—health insurance, hospital insurance, family allowances and so on. One could go through a whole alphabet of programs which have been inaugurated in this country, most of them by Liberal governments because Liberal governments have been in power for most of the past 30 or 40 years. But if one looks at the studies carried out by Statistics Canada with regard to income, one comes across a very disturbing fact, at least it is disturbing to me. It is that in the last 25 years there has been no significant improvement in the terms of income distribution. If anything, the distribution of income among the various income groups has become less equitable.

In 1951 the income received by the bottom fifth of the population, the percentage of the GNP which went to the bottom 20 per cent, was just 4.4. In 1974, the last year for which we have figures, despite all the things we have done, despite the belief of most Canadians that we have improved the relative share enjoyed by the bottom 20 per cent, the percentage which went to that least wealthy segment was, not 4.4 per cent as in 1951, but just 4 per cent.

What about the top fifth? In 1951 the top 20 per cent of income earners got 42.8 per cent of the Gross National Product. In 1974, 23 years later, despite all the income distribution programs, despite all the welfare programs and health programs, despite the change in old age pension scales, the Canada Pension Plan and everything else, the top 20 per cent were still getting over 42 per cent of the Gross National Product. I am not saying that the bottom fifth of the income earners are living more poorly now in absolute terms than they were 25 years ago. What the figures show is that we have not moved toward a more equitable distribution of the goods and services which we produce in such great abundance.

This is not surprising, I suppose, bearing in mind the conclusions of a rapport which came out this month, a report prepared for the National Council of Welfare which is an agency funded by the federal government whose members include 21 organizations representing social service professionals and welfare recipients across Canada. The study is entitled

"The Hidden Welfare System". What does it show? It shows that our present tax system allows the federal government to transfer billions of dollars through inequitable income tax deductions and exemptions. The report estimates that there are 17 subsidies such as education deductions and registered home ownership plans which cost the government $6.4 billion in lost revenue in 1974, the bulk going to high income taxpayers.

The Council prepared a chart based on information from the Department of National Revenue which showed that the average benefit per taxpayer from the 17 subsidies in 1974 was about $244 for those with incomes of less than $5,000. But persons earning more than $50,000 realized a tax saving of about $4,000. Well, "to those who have shall be given", as I have heard hon. members say on other occasions.

The Council gives a number of illustrations of the way in which the system works. It points out, for example, that a person earning between $5,000 and $10,000 a year who places $1,000 in a registered home ownership savings plan is entitled to a tax saving of $264 a year, while a person earning between $15,000 and $20,000 saves $365 under the same plan. The chairman of the committee which prepared the report, Mr. Douglas Barr of Toronto, says:

> It makes sense that the wealthy should pay more than the poor. What people do not realize is that the system of subsidies is totally regressive and allows the rich who can take advantage of interest income deductions and RHOSP to pay proportionately less tax.

We have heard a great deal about the way in which this government and governments in general have been too hard on the business community. One would think that business in Canada is being driven to the wall. Well, a former Liberal cabinet minister, Eric Kierans, made a speech about a week ago to a very respectable organization, The Conference Board. Let me put on record some of the statements he made in the course of that speech which he entitled "Is the Mixed Enterprise System Dying?" Mr. Kierans stated:

> With the exception of the United Kingdom, I doubt that any nation in the world has given its corporate 1000 a more handsome gift package of subsidies, tax allowances, two-year write-offs, deductibility of merger costs, cheap loans, export credits and insurance than our present Trudeau government.

Later he went on to say:

> The goal of the corporation is profit, or at least 99½ per cent profit since a half cent of every profit dollar is given away for charitable purposes. One cannot say that the corporate sector has not achieved its purpose during the last five years.

● (2110)

May I point out that these are five years in which we have had a Liberal government headed by the present Prime Minister.

He went on to point out that profits increased 12.8 per cent in 1971, 23.3 per cent in 1972, 34.4 per cent in 1973, 27.2 per cent in 1974, before they levelled off with a slight decline of 2.9 per cent in 1975. In other words profits increased from $7.7 billion in 1970 to $17.8 billion in 1975, or 131 per cent. Yet unfriendly Ottawa, in the words of one outstanding Canadian chief executive, does not understand free enterprise.

Despite the popular impression, corporate income tax rates declined during that five year period. In 1970 corporations paid an effective federal rate of 29.6 per cent on their $7.7 billion of profits; in 1975 the effective federal rate was 26.6 per cent on profits of $17.8 billion.

Then Mr. Kierans went on to give four examples of corporations—the Royal Bank, the CPR, the Noranda group, and Imperial Oil—which in the years from 1970 to 1975 increased the value of their assets by almost as much as in the 50 to 75 years of their existence prior thereto. It is no wonder that when we have that kind of tax system you get people so desperate, so disillusioned with Liberal governments both federal and provincial, that they vote for a party with whose basic principles they do not agree.

I want to talk for a few moments about another reason why the people of Quebec voted the way they did. Again let me say I regret that the people of Quebec felt it necessary or advisable to vote for a party which is separatist. I want to quote from the *The Canadian* magazine, June 7, 1975, issue carried in the Winnipeg *Tribune*. In an article entitled "The Real Losers", by Mary Kate Rowan, she writes about what life is like in the city of Montreal, in the province of Quebec, for which we were able to find over $1 billion for a two week extravaganza. This is the kind of thing she puts on the record about the city of Montreal which Liberal governments, federal and provincial, have permitted and still permit:

> In Canada it's estimated that 25 per cent of all children live in poverty. In the city of Montreal, the figure is 46 per cent, almost double the national average.
>
> In Montreal, the same city that is spending $320 million on the futuristic Olympic stadium, 15,000 dwelling units don't have hot water. In 10,625 homes people live without a bathtub or shower.

Then she writes that when the school council of the Island of Montreal had $3.4 million to give to schools in low income areas, they decided to send out three researchers to find out exactly where the poor areas were. They found that in greater Montreal just under one quarter of the children under 15 could be classed as poor. In the actual city of Montreal the figure rises to 46 per cent.

According to the Montreal health department which did a survey at one low income parent, downtown public school, they found that half the children lived in a home that had either no bathtub or no hot water, or lacked both; that 21 per cent of the children were considered to be malnourished, and over 25 per cent were underweight or short for their age. And so on, Mr. Speaker.

Why do governments permit this, Mr. Speaker? Why do Liberal governments become involved in an Olympic spectacular rather than building housing for the poor? Why did the government get involved in constructing Mirabel airport rather than undertaking a school lunch program? They did so because they convinced themselves that what we need to do is to fight inflation, and they are fighting inflation on the backs of the poor, the poverty stricken and the unemployed.

The bill we are discussing legalizes the cutting off of job creation programs such as OFY, and cutbacks in programs such as LIP and LEAP. This is not the time to discuss some of

the very fundamental criticisms we have made of those programs, but it is obvious to most people who want to be objective and realistic that the government's manpower programs are in a shambles. One does not have to be an opposition politician, or in a provincial government, the Department of Manpower, departments in colleges and universities, or a department of education expert, to know that government programs are in a shambles.

The C.D. Howe Institute, which is no radical, revolutionary organization—

Mr. Hogan: A very right-wing organization.

Mr. Orlikow: "A very right-wing organization", says my colleague from Cape Breton-East Richmond—commissioned a study of job creation programs by a Barbara Goldman, a former associate economist at the institute. She found that current manpower programs are heavily weighted toward training, even though the training given does not often match labour market requirements. Anybody who walks around any city in Canada and talks to the people knows—I hope that the minister will pay some attention at some point, even if not tonight—that direct job creation programs help to cut unemployment without exacerbating inflation. She found that Canada has not been stingy in its manpower policies. The department is expected to spend, she says, $830 million in the current fiscal year, but the money has not been efficiently spent, partly because of the stop-go policies of the government. Those were political decisions that were made by the government.

She then gives some examples. In June, 1975, the then finance minister announced a $450 million direct employment program to last two years. When he did that the unemployment rate was 7.1 per cent. In December of 1975, when unemployment was 7.3 per cent, the then president of the treasury board announced cuts in manpower programs of over $100 million. Similarly, this year unemployment in the month of May was back at the level of 7.15 per cent, the Minister of Finance reaffirmed the government's interest in direct job creation, but the then manpower minister had already warned that no new programs could be expected before this fall. And we have not had any, Mr. Speaker.

● (2120)

Miss Goldman pointed out that the spending cuts were heaviest in the innovative job creation programs and that the reductions came there because those programs did not have the built-in bureaucratic safeguards and inertia that the older training programs have. She pointed out that at the peak in 1972-73 only 32 per cent of Ottawa's manpower budget went to job creation. Most of the rest, she said, goes to training and to Canada Manpower Centres, even though CMC's are known to have a poor placement record and the training all to often equips people for jobs that do not exist. She went on to illustrate how much of the money for training is spent for training people in farming and fishing when there are not sufficient jobs in those fields.

She makes some very concrete suggestions. She proposes a program giving long-term jobs to people who otherwise would not be able to work at all. This would be similar to the present Local Employment Assistance Program. She proposes a second program providing short-term jobs in community services for people in transition to the regular labour market. Services would be provided on a permanent basis, but the jobs would be short-term. This would be similar to the former Local Initiatives Program. She suggests a third program to be used only when unemployment hits a cyclical high, to provide short-term jobs on special projects involving recreation or environmental cleanups—projects which can be easily started and stopped.

I find it interesting that the C.D. Howe Institute would sponsor a study which in many ways reaches precisely the same conclusions members of our party have been advocating for some considerable time. We have argued, and will continue to argue, that this country cannot afford the kind of unemployment we have, and in fact cannot afford unemployment. The Minister of Finance of course will say that he cannot in this period of inflation inaugurate programs which would put the populace to work.

It is obvious to us that when we have the kind of unemployment we have, with over 700,000 people out of work, we are losing approximately $4 billion a year in terms of lost production, and that the taxes which would be derived by the three levels of government, if we had full employment, would represent something in the neighbourhood of $1¼ billion to $1½ billion, and that the money therefore would be much better spent than in the way we are spending it now dealing with unemployment through unemployment insurance and welfare at the local levels.

We believe, as does the President elect of the United States, Mr. Carter, that this country can have and should have full employment. We want to end the frustration and humiliation suffered by the unemployed. We want to end the alienation in the community, the family disintegration, and the social confrontation which accompany long-term unemployment. We want to end the waste in human resources which reduces our potential wealth as a nation. We can see that a Liberal government has not adopted the principle of full employment and will not adopt that principle.

As I said at the beginning of my speech, we were not surprised that the people of Quebec rejected the Liberal government of Quebec which was a partner in this policy of encouraging and permitting the kind of large scale unemployment which this country had not seen since the hungry thirties. This government has shown itself to be unwilling and unable to end unemployment. In 1970 the government sought to fight inflation by creating further unemployment. Its success in fighting inflation then, as now, was an illusion. However, the government did create high unemployment at that time and therefore encouraged the growth of social problems while reducing the potential wealth of the country.

In recent years the Liberal government has paid lip service to the objective of full employment. The government had its

LIP program, its LEAP program, its OFY and so on, but it has not operated these in a serious, broad and consistent attack on unemployment. It has used these as political ploys too often manipulated for partisan purposes. These have never been part of a serious mass campaign against unemployment. The programs they have permitted and which we are discussing today reflect this. They bear no consistent relationship to national unemployment or to the needs of this country.

Now we are getting a new approach. Instead of the 4 per cent unemployment which some ten years ago was considered by the government and by members of the Economic Council to be full employment—or as the Economic Council said in 1965, 3 per cent—now we are given the rationale that probably 6 per cent unemployment is full employment. Why? Because there are two members of a family working, as if people work only because they want to, as if they do not work in order to buy a house in these days when two incomes are required to meet the mortgage payments with an interest rate of around 12 per cent.

We believe, and have outlined on many occasions, that this country can and must have full employment. I think the lesson of the election of yesterday is that the people of Quebec will not stand for unemployment of 10 per cent or more, and that is what forced them to vote for a party with which they do not agree on a very fundamental issue, the question of a separate status for Quebec.

We believe that if the country is to be kept together and is to meet the needs of the Canadian people, is to do the things which are required to make life comfortable and enjoyable for all the people of this country, we must adopt programs which will insure full employment, not just full employment in the city of Toronto, the city of Hamilton, but also in the Maritimes, in Quebec, and in the inter-lake area of Manitoba. We believe this can and should be done and we believe this government has completely misunderstood the needs and desires of the Canadian people. We believe the government must change its course. I suggest that if it wants to survive politically it must change course very quickly of its fate will be that suffered by its party in Quebec yesterday.

● (2130)

Mr. Jake Epp (Provencher): Mr. Speaker, in making a number of comments on the contents of Bill C-19 I want to show members of the House that for all intents and purposes this bill is another cosmetic approach by the government to cover up what has become a long standing problem between the government and the Canadian people, that is, that this government is correctly perceived by the Canadian taxpayers as having become in the last years the spender of the public purse to such a degree that it has completely lost control of the amounts of money that are being spent. Now that the government is preaching restraint one can almost compare it to a drunken sailor trying to preach temperance.

The government has not committed itself to a restraint program on government spending, but rather it has committed itself to doing something about its perceptual problem, that is, the perception which exists among Canadians that the government has lost control over its spending. The government does not want to stop spending, although it may make slight modifications in it, and it wants to continue on the path which it has set for itself, but it hopes that the Canadian people will not perceive it as the high finance spender which it has turned out to be.

Let us take a look at some of the clauses in Bill C-19. First of all, let us take a look at the repeal of section 272 of the Railway Act. By repealing this section I understand the government would like to abolish the subsidy on the movement of grain and flour to ports in central and eastern Canada. In testimony before the Standing Committee on Agriculture the Minister of Agriculture (Mr. Whelan) indicated that there would be a saving of approximately $11 million. One must say that any attempt the government makes at saving money, if it is a well thought out and considered plan, must be lauded, but when you look a little further you find that the Minister of Transport (Mr. Lang) then gave a $9 million subsidy, which offsets the saving which the government was going to make. The irony of this is that in the cabinet they cannot agree on whether or not the section should be repealed in the first place.

The Minister of Transport wants the section repealed, but what does the Minister of Agriculture say, who supposedly should have some say in the management of the ports on the Great Lakes and the movement of grain to central and eastern Canada? In report No. 84 of the Standing Committee on Agriculture dated May 4, 1976, the Minister of Agriculture had the following to say about this bill. I should indicate that the same clause was before the House before the summer recess, but it was brought back. The Minister of Agriculture said the following at the meeting of the standing committee:

> The ships will not stay loaded in the ports because it is the last run they can make in the fall, if they are down to the St. Lawrence they will not have time to get back to the lakehead to load and come into the bay port elevator. So you can rail that grain out in the winter because you will lose the subsidy on that movement of grain by rail. That amounts to about $11 million, if I remember correctly.

The hon. member for Red Deer (Mr. Towers) then said:

> You are in agreement with that bill then.

And the minister replied:

> No, I am not. I think it is nuts. I want to clarify that; that part on which I voiced my opinion, I think, is very wrong.

Mr. Parent: Who said that?

Mr. Epp: I hear an hon. member opposite from the province of Ontario questioning that statement. I suggest they check with the Minister of Agriculture to see whether or not he said it because it is on the record, or they could check with his executive assistant or a few other people. Who speaks for agriculture, the high flying Minister of Transport, the Minister of Agriculture, or the Minister of Finance (Mr. Macdonald)? The point to be made is that eastern interests, farmers in Ontario and Atlantic Canada, do not want a subsidy such as has now been offered by the Minister of Transport to the flour milling industry. What they want is the retention of section 272 and the retention of at and east rates.

We in western Canada have learned to know the Minister of Transport and we do not trust him. I say to him that if there is any further erosion of the Crowsnest rates, he will be in mighty trouble. I do not believe this is the first step in his demise. He took it himself when he stepped into the plane, but this is another step. I repeat to the minister very clearly that in no way will western, central, and eastern Canadians accept his continual tampering with freight rates without any compensatory action, and they will not accept his attitude that he is always right even though the world is against him. That is the attitude which he is continually portraying. Everybody is out of step except our Otto.

Who speaks on the question of the repeal? Is it the Minister of Agriculture who has said in committee, and it is on the record, in the way that only he can say it, that the bill is worthless, or is it the Minister of Transport who is trying to convince the Canadian people that the government is saving the taxpayers' money? What kind of flim-flam shell game is this? I agree that this is a significant sum, but it pales in comparison with the $740,000 for a public aircraft that the minister has used. If the minister is travelling specifically on government business and he cannot fit into commercial airline schedules, then government planes are there for the use of ministers, but what did the minister use that plane for? I guess that must have been one of the highest flying cocktail parties in Canada's history. Also he went to the Grey Cup game to represent the Minister of National Health and Welfare (Mr. Lalonde), who at that time had the responsibility for fitness and amateur sport. I find it surprising that he went to a professional game in that capacity. But be that as it may, I wonder why the Minister of Transport had to fly there when the Prime Minister (Mr. Trudeau) was already there representing the government.

Mr. Baker (Grenville-Carleton): He was there to hold the flower.

• (2140)

Mr. Epp: We are now talking about restraint. The minister has flown to exotic places! He keeps on mentioning Grande Prairie. There is nothing wrong with Grande Prairie. In our modern age when people travel long distances by jet, a condition called jet lag develops. We do not have jet lag with this minister. We have jet Lang, but not jet lag.

Mr. Lang: You should try that one back home.

Mr. Epp: The minister says I should try that one back home. Well, we have, and we find that our constituents agree with us. They think it is unconscionable that the minister has spent the money he has.

Mr. Parent: What about when you flew back with him?

Mr. Epp: I did not fly back with him.

Mr. Parent: You have never flown back?

[Mr. Epp.]

Mr. Epp: Never. I was not even invited, and after I am finished with my speech hon. members will see why.

Mr. MacFarlane: That's what's wrong; he didn't invite you.

Mr. Epp: We will get to that in a minute. The point I am making—and obviously it has struck a responsive note opposite—is that Canadians will follow leadership but not the kind of leadership that the high-flying minister has shown.

Let us go on to another program, the Company of Young Canadians. This bill would end the existence of the CYC but in fact it ceased to exist on April 1, 1976. The CYC programs received much criticism, and many of the programs of the CYC could be described as social animation. Frankly I believe that the CYC should never have been started, and when it was abolished and given a decent burial, that was one of the best things which ever happened to it.

It is interesting that the last time the representatives of the CYC appeared before our committee, we asked them specifically about their projects, and they were not quite sure about the projects they had, but they said they would give us a list in due time. Approximately ten days ago, even though the CYC ceased to exist on April 1, 1976, those representatives finally came in with their annual report. But for what year? 1974. How can the government continue to fund groups, literally giving them carte blanche, and then go back to the Canadian people and say that it has a firm hand on the till and that it has control of its spending? The government obviously does not have that control. The lesson of the CYC is one all of us should keep in mind, and it is this: it was much easier to establish the CYC with its minimal cost benefit for the communities in which it served than to give it a decent burial, because once programs have been established by the government—

An hon. Member: It supported education.

Mr. Epp: If the hon. member is capable or rising and making a speech, I would be pleased to give him the floor. He probably needs the exercise.

The point is that programs initiated by the government are not easily discontinued, because people get locked into programs, and they become self-perpetuating. It is very difficult, from a political point of view, to end a program once it is established, and it behooves this government and every political party and every provincial government not to accept at face value every program which might look good on the surface, and to institute it, only to find out that over the years those programs cannot be ended.

Mr. Dionne (Northumberland-Miramichi): Your constituents bought that idea.

Mr. Epp: No, they did not. They elected me and defeated the former Liberal member.

Some hon. Members: Hear, hear!

Mr. Dionne (Northumberland-Miramichi): They bought something that looked good on the surface.

Mr. Epp: That hon. member makes more speeches sitting down than on his feet. I wonder if tonight is his night to make his debut.

The government has introduced programs like CYC, and they have gone on year after year. Finally I can give the government credit for ending CYC. The point is, why start it in the first place? Was it a political sop for a specific group of people to gain their support?

Mr. Brisco: The Prime Minister's friends.

Mr. MacFarlane: He is your best resource, more important than oil or anything else.

Mr. Brisco: The Prime Minister?

Mr. MacFarlane: No, you.

Mr. Epp: I think we should be careful when we talk about the Prime Minister's friends in this august body.

Mr. Neil: He hasn't any friends left.

Mr. Dionne (Northumberland-Miramichi): Don't bet your last buck on that.

Mr. Parent: Call it ten o'clock, Jake.

Mr. Epp: I thank the hon. member for St. Catharine's (Mr. Parent). He just showed us that he does have some intelligence, a trait he has not shown here before.

The point which has to be made is that the type of student who applied under programs such as the CYC was not from lower income groups. Lower income students needed summer jobs and part time jobs while they were going to school. They needed summer jobs if they were to continue their studies the following year. Applications to CYC were made after the New Year, and very often approvals were not announced until just before the end of the university year at the end of April or beginning of May.

Students from lower income groups who had to have money to continue school the following year could not apply anyhow, and more often than not students of middle and upper income families were the ones who received grants under OFY or CYC. Those programs were not helping those students who could not further their education if they were unable to get summer employment which paid them adequately.

What about the Local Initiatives Program? That is another program for which the government is very famous. Last year before the standing committee the former minister, who is now the President of the Treasury Board (Mr. Andras), said that LIP would be phased out and that last year was the last year we would see it. He then talked about an ongoing year round full employment strategy. Well, LIP is back with us for this year, and it had to be brought back because of our high unemployment rate.

Mr. Parent: Did you get any grants in your area?

Mr. Epp: I will talk about that in a minute. The government had to bring back LIP simply to reduce unemployment in specific areas. Those of us who have seen LIP programs finish at the end of May or June know that the tragedy of such programs is that people become dependent on them. There have been many good programs, Mr. Speaker, and I am not going to condemn them. Community halls and arenas have been built. Indeed the list is as long as you would care to make it. Very often because of the short term nature of LIP we find that we have created a dependency on government funding and that the people involved have not made arrangements to step into a permanent job. Sometimes they will take a summer job or go on unemployment insurance with the hope of getting back on a LIP program the next winter. As a result the dependency factor is built in. This is not only degrading to the individual but places him and his family in tremendous difficulty because there is no permanency.

• (2150)

An hon. Member: Are you for it?

Mr. Epp: The hon. member asks if I am for it. I guess that is how Liberals operate—as long as there is payola they are involved. They think that is the essence of government. That is not the essence, Mr. Speaker. Government is not the only vehicle which creates jobs; they are created through the private sector.

The Speech from the Throne talked about a year-round strategy for breaking new ground. I guess what that means is that we spend more and more. But it is taxpayers' money, Mr. Speaker, and as long as we create jobs, short term or long term with taxpayers' money, the dependency factor is there. We have created a dependency factor through UIC, LIP, OFY, CYC, LEAP, and any other program the government has at the present time. This is degrading because it does not allow the individual to function on his own initiative.

Bill C-19 will also put an end to Information Canada, the propaganda institution established by the government to spread the good word about what is happening in the land. Now that it has been abolished and given a burial—I do not believe it was a decent burial because it did not deserve it—the individual departments have picked up the slack and are turning out the propaganda on their own letterheads. The most glaring example was circulated by the Minister of National Health and Welfare. He made a partisan speech—which he is entitled to do of course—and it was circulated across Canada under guise of a release from the Department of National Health and Welfare.

The hon. member for Northumberland-Miramichi (Mr. Dionne) just made the second longest speech of his career—five words.

Mr. Dionne (Northumberland-Miramichi): At least I know when to quit.

Mr. Epp: He has just proved again, Mr. Speaker, that he does not. I should like to ask the minister why, if the government is truly committed to restraint, are public funds spent by his department to disseminate information concerning public health and why does the minister use those funds to send out Liberal party propaganda under the guise of departmental information?

Mr. Neil: He was talking about the sickness of the Liberal party.

Mr. Epp: My colleague says the minister was sending it out through the Department of National Health and Welfare because he was speaking about the sickness of the Liberal party. Maybe that is the best reason yet.

We must get back to the question of how much government spending can be justified. I have heard members of the New Democratic Party speak about employment strategies and the need for more spending. I imagine they are already heating up the printing presses in Manitoba in the riding of St. Boniface which is represented by the Minister without Portfolio (Mr. Guay). The NDP have a grandiose program but they have not put a price on it yet—they will do that later. At the same time the NDP premier of Manitoba has brought in a restraint program to cut back spending. Mr. Speaker, may I call it ten o'clock?

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

[*English*]

CENTRAL MORTGAGE AND HOUSING CORPORATION—ALLEGATION BORROWERS ASKED TO USE LAWYERS SELECTED BY CORPORATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, for a few minutes may I pursue a theme that I have turned to on other occasions in this House concerning the practice of a Crown corporation, namely, Central Mortgage and Housing Corporation, with regard to patronage.

First of all I say there is a time for patronage, and a time when it should not be exercised. Unfortunately during the lifetime of CMHC there has been an occasion when patronage should not have been exercised. I do not fault the present government any more then I do the previous government or the one prior to that; I simply say the practice is morally wrong and indefensible.

[Mr. Dionne (Northumberland-Miramichi).]

If you or I were in charge of a government department, Mr. Speaker, and had to choose a lawyer to conduct some case in the courts, it would naturally be expected that we would look to those who had vigorously seen to it that we were sent to this place. We would not want to look to those who had tried to keep us away from it. In that sense, all other things being equal and the lawyers being good, I think nobody would fault our sense of discrimination.

● (2200)

On the other hand if you or I were in charge of a lending agency and a person came to us to borrow money secured by a contract or mortgage, it would be wrong of us to tell such a person that he or she must choose from among a certain number of lawyers who would transact such business, and deny to that person the right to choose his or her own lawyer.

Mr. Baker (Grenville-Carleton): Shame!

Mr. McCleave: That is what Central Mortgage and Housing Corporation is doing today, and what it has done for years.

Mr. Baker (Grenville-Carleton): We will have to change that.

Mr. McCleave: Other mortgage companies used to follow such policy. If you or I went to them and wanted to borrow money, they would say to us, "You will have to choose a lawyer from this list," and you would have to use one of the lawyers on the list. That used to be the practice in days of yore. Now, Mr. Speaker, every lending corporation across Canada of which I know allows the borrower to use the lawyer of his or her choice. And so it should be, not only from the standpoint of freedom of choice but also because most of our legal societies are now protected by good insurance schemes, which means that nobody really gets hurt in cases of mistake. Under such schemes all the lawyers in a particular province pay money into a bar fund and, if mistakes are made in the course of a year either through carelessness or negligence, money is paid out from the common fund and nobody suffers the consequences of a sharp blow.

I say to Central Mortgage and Housing Corporation, it is time they lost their maidenly timidity and ventured forth into the mainstream of practice, as followed by other lending institutions. They have nothing to fear. However, knowing something about CMHC I must go further than that and say it is time the corporation told the Minister of State for Urban Affairs (Mr. Ouellet) who reports for the corporation in this House, to tell the Minister of Justice (Mr. Basford) that it is simply unacceptable for a lending corporation in this day and age, given all the protection available to CMHC, to insist on the right to name the lawyer who shall act on behalf of the borrower.

May I also make it clear that such lists of lawyers are drawn up with great care. Knowing my hon. friends opposite, it is safe to say that the best Liberal lawyers across Canada will be on the list. I say nothing about that, since I know the public will not suffer harm. I know all due attention will be paid to

those who are told they must choose a lawyer on such lists. But when a person is so told to choose, it derogates from his or her right of free choice and in that sense is wrong. Further, I would think such practice offends the basic principles of liberalism or free choice, if such principles are still practised by hon. members opposite.

Finally, in presenting my mildly worded case, may I say this: When I raised the question initially in the present session of parliament a lady called me up and said, "Mr. McCleave, you are on the right track absolutely; they showed me a list"—this lady was from Dartmouth—"I had to choose a lawyer from the list and he charged me $200 more than my neighbour in the same subdivision was charged, who also took out a CMHC mortgage." She said, "I just guessed wrong, Mr. McCleave; I hope you win this war." So do I, Mr. Speaker. We will find out from the parliamentary secretary if I have won.

Mr. Jean-Robert Gauthier (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, contrary to the allegation made by the hon. member for Halifax-East Hants (Mr. McCleave) on November 1, Central Mortgage and Housing Corporation follows the normal practice of mortgage lenders in selecting the legal agent to process mortgage documents. He is employed to search and report on title, to register the mortgage and advance the mortgage funds, and to certify to CMHC that its mortgage constitutes a first charge on the property. In the case of loans for the provision of housing to persons of low income, requests for the employment of the borrower's solicitor or notary are in many cases granted where the employment will produce a financial advantage to the borrower. In addition, in the case of loans on existing housing, where the borrower has employed a solicitor or notary to carry out the work of acquiring the title to the property, CMHC may employ the borrower's solicitor or notary to act on behalf of CMHC.

CMHC has, as a general rule, followed the practice of all government departments and agencies and employed agents approved by the Minister of Justice (Mr. Basford). The present practice with respect to CMHC is that, with the approval of the Minister of Justice, as the hon. member so generously stated, the Minister of State for Urban Affairs (Mr. Ouellet) from time to time provides the corporation with the names of legal agents who may be employed for these purposes in various municipalities throughout the country.

In summary, of the 231,000 new housing units started in Canada in 1975, less than 6 per cent would require the services of legal agents selected by CMHC.

AGRICULTURE—REQUEST FOR ASSURANCE BEEF QUOTAS APPLICABLE ONLY TO MEAT IN TRANSIT TO CANADA ON OCTOBER 17

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my remarks tonight relate to some further comments on the subject of offshore beef imports from Australia and New Zealand. In particular they will deal with my question to the Minister of Agriculture (Mr. Whelan) on October 27.

I commend the minister most sincerely for three comments he made in his response to me on that occasion. First is his statement with respect to negotiations that are "still being discussed with both New Zealand and Australian officials." It is important that these discussions should continue with regard to offshore beef imports into Canada.

Second is the minister's admission, finally, that these imports had been entering Canada prior to the "six cent under" agreement "for as much as 31 cents per pound less than it was selling in the United States". That is a significant admission in that the minister and his senior staff people would never admit to any discount in price until after the agreement last June which introduced the "six cent under" rule.

Third is his firm statement, and I quote:

> New negotiations will take place; I hope the result will be that meat shipped to Canada will be sold at a price no different from that of meat shipped to the United States under the quota system which has been imposed—

I hope the minister can convince his colleague, the Minister of Industry, Trade and Commerce (Mr. Chrétien), that this is the only way these offshore beef imports can be regulated as to price. After all why should a pound of offshore beef be worth any less in Canada than the same pound of beef in the United States?

That "six cent under" rule as it now operates on offshore beef imports represents a total loss already sustained by Canadian cattle producers of somewhere between $30 million and $40 million. This admission to me in that reply of October 27 is a clear indication that the minister was over-ruled in cabinet by the Minister of Industry, Trade and Commerce or that he, the Minister of Agriculture has since changed his mind on the fairness of this "six cent under" rule.

While I agree with the three comments of the minister in his response to me in the House on October 27, I continue to disagree completely with his continued reference to the United States cattle and beef industry as a supply management system simply because that country has its own meat import law with power to impose quotas by presidential order. American cattle and beef producers continue to have complete freedom of choice as to how they wish to market their production and there is absolutely no supply management of their production.

It is very reassuring to note that in a recent speech to the Canadian Simmental Association on November 12 the minister finally admitted that these offshore beef imports do affect our prices. In that speech he made this statement:

> Beef imports into Canada, particularly from Oceanic countries, have been large this year. They affected our prices somewhat.

He could have been just a little more specific by saying the effect was to depress our prices somewhat. That would have been the understatement of the year. After all, why was this new import quota imposed last month if it was not because of depressed cattle prices in Canada?

● (2210)

In the same speech the minister stated he had imposed import quotas on beef from the U.S.A., Australia, New Zealand and Argentina until December, 1975—last year. Let us set the record straight. As early as April, 1975, the Canadian Cattlemen's Association requested the removal of those 1975 quotas because we were then on an export fat cattle market basis and it was on August 7, 1975, that the minister lifted those earlier quotas, not in December.

In the minister's speech to the Canadian Farm Writers' Federation in Toronto on this subject of offshore beef imports, commenting on the failure of the United States and Australia to live up to the "gentleman's agreement" he warned—and here I am quoting from the London *Free Press* of November 13—that Canada would "respond accordingly to those countries next year for breaking the agreement." Surely we should understand by now that retaliatory action at the border is no way to bargain successfully at the negotiating table. Canada did not sign the voluntary import beef quota agreement though other countries such as Australia, New Zealand, and Mexico did sign. And when Canadian beef exports exceeded our allotment of 64.5 million pounds, set by the United States, is it any wonder that the United States finally triggered its meat import law?

It now seems that the minister is considering the establishment of a new import-export corporation to regulate the flow of all products, including eggs. Could this be an admission that our existing import-export permits legislation is not able to do the job? Canada's recent counter-quota on beef imports was imposed under this authority, and this is the vehicle which the report of the Beef Inquiry Commission recommended. Whatever authority is devised or used to restrict present unlimited access to Canadian beef markets, that is to say after the end of 1976 quotas, it is surely time that the new legislation was administered completely by the Minister of Agriculture and not by the Minister of Industry, Trade and Commerce.

The minister is well aware of the representations on this subject of import controls which have been made to him on several recent occasions by the CCA. These are well considered and detailed examinations of the entire subject and are certainly worthy of his attention. Until now he has failed to indicate why Canada should not employ a meat import law. If he does not intend to use such a device I think he owes it to Canadian cattle producers to explain why he will not do so. The CCA has recommended that a Canadian beef import law could deal with the import situation.

[*Translation*]

Mr. Irénée Pelletier (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, on October 27, the hon. member put a few questions to the minister about the steps that had been taken to protect Canadian beef producers following the U.S. decision to set up quotas. I hope the hon. member will find tonight's answer satisfactory.

In a press release on October 13 last the Minister of Agriculture (Mr. Whelan) announced that the federal government was acting to safeguard the Canadian market from any disruption which might follow from those U.S. measures. That clearly indicates our intention to limit Australian and New Zealand beef imports should they threaten the Canadian market. That announcement, of course, is contrary to the comment the hon. member made on October 15, and I quote:

The announcement in no way indicates any intention to limit or reduce Australian or New Zealand beef imports.

Since at first the full effect of the U.S. measures were not obvious as regards Canadian exports and the possible movement of beef to the Canadian market, the first step of course was to establish a working basis in the form of consultations with the United States, Australia and New Zealand and put beef and veal under individual import permits. Afterwards, as announced on October 19, an import quota of 17.5 million pounds was set for the period of October 18, 1976 to December 31, 1976. The Canadian quota is based on average imports in the last quarter of the years 1971, 1972 and 1973 adjusted to provide for reductions in exports to the United States and distributed over the period of October 18 to December 31. The share alloted to each country will be based on their past performance vis-à-vis that base. Products already in transit will be included in the quotas. If the quantities exceed the country's quota the products will be kept in bonded warehouses thus respecting quotas. The clearance of meats will be controlled to reduce a possible market glut. Individual import permits will be required for each shipment under this regulation. This quota is less that of the last quarter of 1975, 20.6 million pounds, whereas there also were import quotas much lower than those of the last quarter during the period between 1971 and 1973, 31.1 million pounds. Consequently, it is obvious that imports will be reduced, and the government took measures to protect the Canadian cattle industry and avoid any glut on the market.

In order to be imported to Canada pursuant to the regulations, the documents must indicate that the meat was in transit at midnight on October 17, 1976. No importat is allowed if the destination is not specified. Diversion of meat to Canada from a third country will be eliminated.

Mr. Speaker, the hon. member indicated several times that Australia and New Zealand ignore the 6-cent agreement. The Minister of Agriculture said to the House on October 27 that he had no evidence to show that meat had been sold in Canada outside of the Agreement. Of course, there might be cases when beef meat was stored in Canadian warehouses before the agreement was put into force. Any reduction of the price of this product would be partially modified by the storage costs.

Canada kept its border with the United States open to answer the wishes of the Canadian beef producers. Up until December 1975, there were import quotas on beef meat coming from the United States, Australia, New Zealand and Argentina but at that time the beef producers asked that these quotas be withdrawn. However, since the United States have applied an import quota system, the situation has changed and we quickly took the necessary measures to offset the adverse effects of these quotas on Canadian prices.

[*English*]

ENERGY—REASON FOR FAILURE TO SUBSIDIZE COST OF ELECTRICITY IN ATLANTIC REGION

Mr. Andy Hogan (Cape Breton-East Richmond): Mr. Speaker, in answering my questions on the failure of the federal government to subsidize increasing costs of electricity in the Atlantic region, especially Nova Scotia, the Minister of Energy, Mines and Resources (Mr. Gillespie) claimed that his department has to consider not only the present prices of imported oil but also the future increases. He said to me that his department has to look at the whole question in terms of a longer period "than the period to which the hon. gentleman referred".

In my first question I had dealt with the fact that a surplus of funds that were intended to be used by the federal government for oil import subsidies is allowed to increase quarter by quarter, month by month, and day by day. Part of our so-called energy policy includes an oil import compensation scheme whereby the federal government compensates oil companies for the higher cost of imported oil in return for their undertaking to sell oil at the Canadian wellhead price.

The funds for this purpose come from the export tax on oil and petroleum products, as well as the proceeds of a ten cents a gallon excise tax which was brought in last year. In my question I noted that the surplus for the third quarter of 1976 was a little less than $100 million.

The picture for the first three quarters of 1976 looks like this. In the first quarter the oil export tax was $812 million, in the second quarter $820 million, and in the third quarter $542 million. The gasoline excise tax in the first quarter was $510 million, as it was in the second and third quarters. The oil import subsidy in the first quarter was $1,268 million, in the second quarter $1,188 million, and in the third quarter $958 million. The surplus in the first quarter was $54 million, in the second quarter $142 million, and in the third quarter $94 million. We are now in the fourth quarter. The quoted surplus shows that indeed there is a significant amount that can be paid out to Nova Scotia in order to help low income and middle income power users in that province.

The minister is arguing that there might be an increase by the cartel of the oil producing export countries next year and that time dimension has to be considered. We agree with him to some extent and we know that there is a strong possibility that there will be an OPEC oil price increase of at least 5 to 10 per cent in the new year. I wanted a guarantee though that any surplus that would still be in that fund would go to help offset future needs of the provinces of Nova Scotia and Prince Edward Island, especially, at least for the next three to four years until they get their energy program, including the use of more Cape Breton coal and their new rate structure and their conservation program into full swing. The surplus figures I have read show that the moneys are already available for a special subsidy for next year in any case.

● (2220)

The minister, once again in answering my questions refers to the fact that the federal government will have provided very close to $1 billion to Atlantic Canada to offset the increases in oil prices. Now, the minister has used this figure in the House before and I have challenged him, as I do again, to prove this figure because the figure really relates, as far as I can find out, to all of the area east of the Ottawa Valley, which is the dividing line for the oil import compensation subsidy, and includes a good deal of the province of Quebec. If this is not the case, let the minister tell us so unequivocally tonight, but as of this date I consider the minister to be deceiving the people of Canada, deliberately or otherwise, when he keeps referring to this $1 billion figure as having been the compensation for Atlantic Canada alone, since the province of Quebec is valued, to some extent, in that figure.

The minister has further said in one of his answers to me that an automatic increase in the equalization arrangements entered into by the federal government and the province of Nova Scotia, including an automatic increase in equalization this year, can be applied to offset the oil price increase. Again the automatic increase he refers to is, I think, in the neighbourhood of $10 million. But surely the minister, in taking this interpretation of how the equalization grant increase might be applied in Nova Scotia, is grossly misinterpreting the meaning behind the equalization grants.

These equalization revenues, which are raised by taxation from all Canadian taxpayers, including corporations, come out of the general revenues of the Government of Canada. They were meant, and are still meant, to provide for such fundamental services as education, social services, and health care. The idea was that these services would be much more inferior in the lower income provinces without these equalization grants. Thus they were meant to guarantee that in respect to these services there would be no second class citizens in the Canadian confederation. To ask, at a time when the federal government is reducing its cost sharing agreements on health and hospital care, and when these and education demands are needed in the low income regions, that any automatic increases in the equalization grants be put towards decreasing power costs is, to my mind, a very serious distortion of the meaning of equalization.

The minister should know that one of the most important characteristics of the equalization of revenues notion under our Canadian federal setup is that equalization is a non-conditional transfer. In other words, the federal government cannot, and does not, have any say in the use of those funds for special emergencies such as the increase in power costs.

The minister has, time and again in this House, brought up the fact that the Premier of Nova Scotia has refused to allow him to make public their submission to his department in seeking a special subsidy arrangement. We, who represent Nova Scotia constituencies in this federal House, find it very difficult also to accept why Mr. Regan does not allow this to be made public. We were indeed shocked to find out recently on the Wreck Cove power project in Nova Scotia that the

Nova Scotia Power Corporation has not yet signed a contract, which amounts to an open-ended one with the major contractor. Our party in the province has demanded, and rightfully so, a special public investigation of that project.

The minister has, from time to time, also mentioned other criticisms of the Nova Scotia government's energy policy and energy conservation policy. I am not really interested, Mr. Speaker, in any squabble the minister has with the Nova Scotia government, or the Nova Scotia Power Corporation, and who said what or who should have done such and such. The major reason for an interim subsidy for Nova Scotia is because the power rates have increased 50 per cent last year and will likely average another 50 per cent this year.

Thus it is of great importance for the federal government to give an interim subsidy of $15 million to $20 million a year for the next four or five years. This is the best way to keep the low income groups from being tagged with too heavy a payment for power costs. The federal government should insist that any subsidy be used to relieve the bills of low and middle income people. After all, the AIB does not control the sales taxes and the property taxes and other types of licensing services, which are increasing in a very real way for these people.

The need for the subsidy has to be related to the general effects of the federal restraint program on Nova Scotia, where there is now some 10.8 per cent unemployed and where there is increasing unemployment, even in the relatively well-off Halifax metropolitan area. Unemployment in Cape Breton Island is about 20 per cent now. It is a national scandal to see people running out of UIC benefits and forced on welfare, and with LIP grants slashed and no major job schemes in the offing. We in Nova Scotia and the Atlantic region are generally, along with Quebec, paying a proportionately higher price for the government's attempt at stability through the restraint policy than any other provinces of Canada.

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I welcome this opportunity to respond to the hon. member for Cape Breton-East Richmond (Mr. Hogan). He and I both have similar interests in protecting those Canadians who are least able to protect themselves from the high cost of energy. Indeed the government's policy has been to protect all Canadians from the massive increases of 1973 and since and, as far as possible, to protect them with respect to the possible forthcoming increase next January.

The government has moved up the price of oil in Canada in measured steps significantly below the international price. Indeed the international price is approximately 50 per cent higher than it is in Canada and, I am pleased to say, no group of citizens has benefited more from this policy than the citizens of Nova Scotia and the Maritimes.

The hon. member asked me to confirm whether or not the figure of $1 billion was correct. I can confirm that by the end of this year it will be very close to $1 billion for the four Atlantic provinces, and that the highest per capita assistance has been to the citizens of his province.

He also referred to the automatic increase with respect to equalization payments. There would not have been close to $10 million increase in the equalization payments this year if it had not been for one reason, that is, the increase in the price of oil which was to provide, under the terms of the federal-provincial arrangements, an equalization strictly related to oil, and $10 million is the increase which the province of Nova Scotia will attract for purposes of generating electric power from oil.

In the last minute or so I have and I would like to make one or two other points. The hon. member has suggested that there is some degree of symmetry between the costs of the excise tax on the one hand, the export tax on the other hand, and the oil import compensation. I would point out to him that virtually all government expenditures are met out of the Consolidated Revenue Fund and it is not usual to attribute particular revenue streams to particular uses. This principle holds good for the oil import compensation program. Indeed if he goes back over the years he will find that revenues from the two sources I have mentioned have not been sufficient to meet the expenditures of the oil import compensation fund.

Second, I do not think he recognizes that the excise tax was also introduced as a conservation measure, a disincentive to the wasteful use of energy which for too long has been regarded by Canadians as cheap and therefore to be wasted. I do not think, in other words, that he can make the argument that if there is a temporary surplus during the course of a fiscal year, that is any more reason to expect a reduction or an additional payment. If that principle were adopted, the federal government during that period of the year would have to provide some kind of tax reduction because the national accounts were in temporary surplus.

Mr. Deputy Speaker: Order, please.

Mr. Gillespie: I think we have to look at the whole oil import compensation fund in a much longer time frame than the hon. member has mentioned.

Mr. Deputy Speaker: Order, please. The minister has gone beyond his time.

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

Motion agreed to and the House adjourned at 10.31 p.m.

END OF VOLUME I